

## Hart Suspends Campaigning, Saying His Family Comes First



Gary Hart

### Friday Announcement Scheduled; TV Network Says He Will Give Up

Compiled by Our Staff From Dispatches  
DENVER — Gary Hart, his presidential campaign crippled by questions about his weekend with a young woman, abruptly called off a campaign swing Thursday and went home with his wife "to take a few days, or a few weeks, to be together."

ABC News reported that sources in Mr. Hart's staff said he would abandon his campaign Friday morning.

Kathy Bitzer, spokeswoman for Mr. Hart's Denver office, said Mr. Hart would make an announcement on Friday morning at his Colorado home. Asked whether he would withdraw from the race Friday, she said, "We don't know that."

In a statement released earlier by his staff in Groveton, New Hampshire, Mr. Hart, the leading candidate for the Democratic presidential nomination, said that "while running for president is important, right now my family is more important."

His decision came as his campaign was struck with renewed fundraising difficulties and declining public favor in key states. Some politicians said they doubted that Mr. Hart could still conduct a successful campaign.

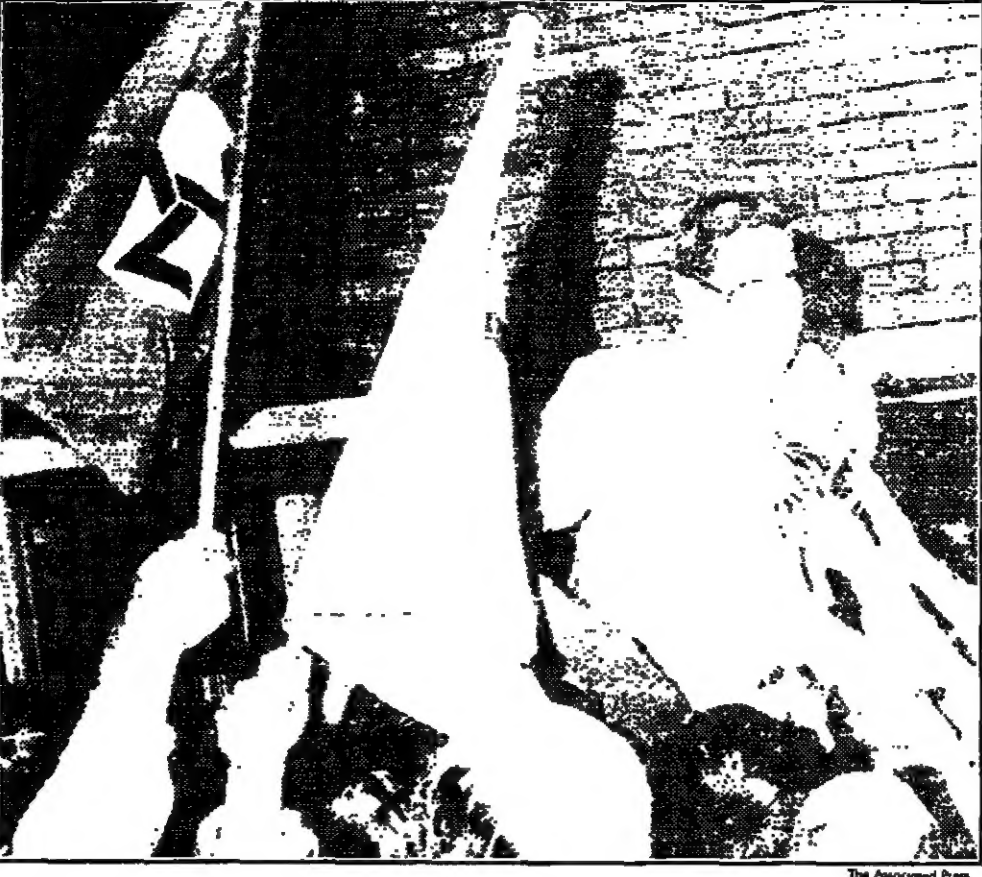
Mr. Hart, 50, had denied reports in The Miami Herald that he had spent Friday night in his Washington town house with Donna Rice, 29, an actress, model and pharmaceutical sales representative from Miami.

Mr. Hart, who had said Tuesday that he had done nothing "immoral" with Ms. Rice, was asked about his definition of morality and, specifically, whether it included adultery. He said it did.

Asked if he had ever committed adultery, he said, "I do not have to answer that question because you get into some fairly fine definitions."

He was asked if he had an understanding with his wife about whether he could see other women. He said, "I don't know."

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A Conservative Party candidate, C.O. de Jager, swept along by supporters after his victory.

## Far-Right Party Gains in South Africa As Anti-Apartheid Group Loses Seats

By William Claiborne  
Washington Post Service  
JOHANNESBURG — The far-right Conservative Party has increased its support to become the official opposition party in South Africa's Parliament, while the governing National Party retained a large majority and white anti-apartheid forces were routed, election results showed Thursday.

Black and white anti-apartheid activists said that the whites-only parliamentary election on Wednesday all but destroyed hopes for peacefully negotiated power-sharing among the races. The Progressive Federal Party, which campaigned against apartheid, suffered major setbacks.

The results, critics of the government said, mean the debate over social and political reform will now be one between the National Party's concept of cautious adjustment to the apartheid system and the "Conservatives' advocacy of maintaining Afrikaner exclusivism through strict racial separation."

The Conservative Party, with almost half as many voters behind it as the National Party, moved in front of the Progressives, 21 seats to 19, to take over the opposition benches in the House of Assembly, the white chamber of Parliament.

Under parliamentary procedure, the official opposition positioning is important for recognition in floor debates on major issues and motions of no-confidence.

The National Party won 123 of the 166 seats contested. With four other seats to be filled by appointment by President Pieter W. Botha

and eight to be appointed by the newly elected members of the assembly, the party appeared assured of increasing its 127-seat majority.

The election ally of the Progressives, the new Republican Party, received one seat, a former Nationalist running as an independent won a seat, and one seat remained undecided Thursday night.

The National Party won 52 percent of the vote and the Conservatives 26 percent. The Progressives took 14 percent, or about half their share in the last parliamentary general election, in 1981.

The Conservatives, who favor a return to stricter apartheid laws, increased their representation by only three seats, but their share of the vote rose dramatically in rural and mining areas of the Transvaal and Orange Free State.

Denis Worrall, the former ambassador to Britain who ran as an independent anti-apartheid candidate, lost by 39 votes out of almost 17,000 in the Cape Province district of Helderberg. His opponent was J. Chris Heunis, minister for constitutional development and planning, who is responsible for formulating government policy on apartheid.

The Progressive Party held 27 seats in the previous assembly. The party's decline was most dramatic in Natal Province, where the traditional liberal, English-speaking coalition collapsed, gaining only half the National Party's total.

In 1981, the Progressive-New Republic Party alliance won 13 seats in Natal against the Nationalists' 7. This time, the National Party

was free to spend money it earned any way he saw fit.

General Secord said that \$8 million still remaining in Swiss bank accounts were not profits and that expenses still had to be paid.

He also expressed concern over inquiries by the government's independent counsel, Lawrence E. Walsh.

"We've got a special prosecutor over here across the street that's trying to throw all of us in jail for performing our duty as we saw it," he said. "I haven't focused on some technical issue like you're bringing up here. This is crazy."

In his testimony, General Secord repeated his view that he has been unfairly treated for carrying out the government's wishes in the Iran-contra affair.

The harsh questioning on Thursday provoked several protests from General Secord and his attorney.

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See SECORD, Page 2

## Kohl Signals Opposition to Moscow Offer

By Robert J. McCartney  
Washington Post Service

BONN — Chancellor Helmut Kohl signaled Thursday that his government was leaning against accepting a Soviet proposal to bar an entire class of short-range nuclear missiles from Europe.

"He has worded it so that the Free Democrats can just barely live with it," one official said.

West German indecisiveness over short-range missiles is one of the principal obstacles to progress on a U.S.-Soviet accord to remove medium-range missiles from Europe. Medium-range missiles have ranges of 600 to 3,500 miles.

Mr. Kohl and the conservative

See KOHL, Page 2

## Vote Decision Dominates U.K. Politics

By Howell Raines  
New York Times Service

LONDON — With the approach of a long weekend of electoral activity and political calculation, an anticipatory hubbub known as "election fever" has already taken hold all over Britain. A state of giddy anticipation has gripped the press and put the members of the House of Commons to acting like schoolchildren.

On Tuesday, when Prime Minister Margaret Thatcher was trying to speak, the uproar grew so loud that the speaker, Bernard Weatherill, a laconic man, was moved to expand his customary one-word utterance.

"Order," Mr. Weatherill began as usual. Then he threw away the script and resorted to pleading, "Can we have less euphoria and more listening?"

The answer seemed to be no.

On Thursday, 10 million or more voters began casting votes in local elections for 12,000 seats on 335 district councils. Mrs. Thatcher's advisers say the outcome of these elections will be the final factor in determining whether she calls a general election for next month, probably on June 11.

On Friday, Mrs. Thatcher will receive computer analyses projecting the likely outcome of a general election on the basis of the votes cast nationwide in the local races. She will also have fresh public-opinion polls to round out the picture, since Scotland and most of London will not be holding local elections.

Then on Sunday, Mrs. Thatcher will meet with her political advisers. If she decides to call the election, she will probably follow the pattern established in 1983. That would mean keeping the decision to herself until Monday afternoon, when she would visit Queen Elizabeth II at Buckingham Palace and request dissolution of Parliament.

In analyzing the local election results, experts say, Mrs. Thatcher will be less interested in the number of district seats each party wins than in the total nationwide vote and the computer projections based on it.

John Curlice, a University of Liverpool professor who studies British voting habits, said, "What she should be looking for is that her national opinion poll percentage is confirmed — that the Conservatives are running at 41 or 42 percent of the vote and 10 to 12 points ahead of Labor."

In 1983 the local elections turned out to be a good indicator of Tory prospects for the general election. The Conservatives got 40 percent of the vote nationwide in the local election in early May and went on to get 42.4 percent of the vote in the general election on June 9.

According to Conservative Party figures, the Tories now hold more than 5,000 local government seats.

See BRITAIN, Page 2

## Ex-Chairman Of Guinness Is Arrested

By Warren Getler  
International Herald Tribune

LONDON — Ernest W. Saunders, the former chairman of Guinness PLC and one of Britain's most prominent executives, was charged Thursday with attempting to obstruct justice and with destroying and falsifying documents during an official inquiry into Guinness's takeover of Distillers PLC.

Mr. Saunders, who was charged by the police Thursday morning after being arrested at his lawyer's London office late Wednesday, was released into the custody of his lawyer pending payment early next week of bail of £500,000 (\$845,000).

Mr. Saunders, 51, was arraigned before a London magistrate after being held overnight in a local police station. He had arrived in London on Monday from Switzerland, where he is said to have been receiving medical attention.

His arrest came amid an official investigation launched Dec. 1 by Britain's Department of Trade and Industry into alleged operations to illegally boost Guinness's share price during the company's successful effort to acquire Distillers last year.

The £2.7-billion takeover was the largest ever in Britain.

Magistrate Geoffrey Bream also ordered Mr. Saunders on Thursday to surrender his passport, to refrain from applying for any travel documents and to make no attempts to contact any current or past employees of Guinness.

The Austrian-born executive, who appeared calm but haggard at See GUINNESS, Page 3

## Kiosk Plot to Murder Ortega Detailed

WASHINGTON (UPI) —

Two rightist extremists in Oklahoma were indicted in Tulsa on Thursday for conspiring to kill the president of Nicaragua, Daniel Ortega Saavedra, the Justice Department has announced.

Donnell Howard and John Norris are accused of recruiting "individuals with military backgrounds" to help them, according to the indictment unsealed Thursday. Mr. Norris has been arrested, but Mr. Howard remains at large.



The 900th anniversary of the death of William the Conqueror is being commemorated in Caen, his burial place in Normandy. Travel, Page 9.

## GENERAL NEWS

■ In a Philippines village, homemade guns are a cottage industry. Page 2.

■ The U.S. Senate has passed a budget calling for \$18 billion in new taxes and a hold on military spending. Page 3.

Dow close: down 7.53  
The dollar in New York:  
DM 1.779 1.6785 139.20 5.9515  
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## Harsh Questioning Angers Secord; Reagan Denies He Knew of Funding

United Press International

WASHINGTON — Major General Richard V. Secord, facing harsh questioning in the third day of the joint House-Senate hearings on the Iran-contra affair, objected Thursday to inquiries about his role in handling profits of U.S. arms sales to Iran.

President Ronald Reagan, questioned at a White House ceremony on Thursday, denied the substance of the first two days of General Secord's testimony. He again denied he knew of the diversion of profits from the Iran-contra affair to the Nicaraguan rebels, known as contras, as General Secord has maintained.

The retired air force officer, who for two days has answered questions in a calm manner sometimes interjected with humor, responded angrily to sharp questioning by

George Bush had warm praise for Colonel North, General Secord says. Page 3.

Tuesday and Wednesday between General Secord and the House committee's lawyer, John Nields, who permitted General Secord to lay out his version of the affair.

"I didn't voluntarily come here to be badgered," said General Secord, who testified without the promise of immunity from prosecution, as he faced Mr. Liman's harsher questioning.

He maintains that he received no profits from the arms sales to Iran although he ran the operation and

was free to spend money it earned any way he saw fit.

General Secord said that \$8 million still remaining in Swiss bank accounts were not profits and that expenses still had to be paid.

He also expressed concern over inquiries by the government's independent counsel, Lawrence E. Walsh.

"We've got a special prosecutor over here across the street that's trying to throw all of us in jail for performing our duty as we saw it," he said. "I haven't focused on some technical issue like you're bringing up here. This is crazy."

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Jews Honor Wallenberg

Edgar M. Bronfman, president of the World Jewish Congress, led a ceremony at the statue of Raoul Wallenberg in Budapest on Thursday to honor the Swedish diplomat, who saved thousands of Hungarian Jews in World War II and disappeared in the 1940s while a Soviet prisoner. The Jewish group was meeting in the city.

## Suspect in Abortion Bombings: A Portrait of Piety and Rage

By Samuel G. Freedman  
New York Times Service

NEW YORK — By the time the bomb squad burst into the Manhattan headquarters of Planned Parenthood on Dec. 14, the carpet was on fire and the air clouded by smoke. In the waiting room for abortion patients, the police officers discovered the remains of an exploded incendiary device and a full-scale bomb, capable of being ignited at any moment by the heat. When an officer deftly snipped the wires, the threat was over, and the investigation was about to begin.

With 15 sticks of dynamite, the bomb was powerful enough to have collapsed the front of the building and to have shattered windows a quarter of a mile away, or about half a kilometer. With a blasting cap, timer and battery, the bomb showed its architect to be someone of sophistication. And one last component, nestled amid the sticks of

dynamite, caught the officers' eyes: a medal of St. Benedict.

The dynamite and the medal ultimately led to Dennis John Malvasi. In late February, with 300 federal agents and city detectives drawing closer, Mr. Malvasi surrendered to face charges of bombing four abortion clinics. But the law alone had not convinced Mr. Malvasi to give up. What convinced him was a televised appeal by Cardinal John J. O'Connor, the archbishop of New York.

So concluded an urgent manhunt, and so emerged the story of Mr. Malvasi — victim and victimizer, criminal and patriot, religious zealot and master deceiver. Mr. Malvasi's path coursed through orphanage and battlefield, theater and shrine, prison and ocean liner. Along the way, he developed disguises and aliases.

Now Mr. Malvasi is in the Metropolitan Correctional Center, held without bail on an 11-count indictment that could bring him 90 years in prison. He has pleaded not guilty, but friends say he is considering a plea bargain.

The four abortion clinic bombings of which he stands accused are among the most severe of the 59 cases recorded nationally since 1982, federal agents say. They were not the work of an amateur with gasoline and matches, as is the usual scenario, but of a professional capable of locating and assembling high explosives.

Mr. Malvasi's case, then, opens a window on the most extreme elements of the anti-abortion movement, where the mixture of piety and rage endangers life in the name of saving it. It also offers a glimpse into the fraternity of Vietnam combat veterans.

Should Mr. Malvasi come to trial in U.S. District Court in Manhattan as scheduled on June 29, his defense is expected to hinge on whether his wartime experience warped him to the point of insanity. What is already apparent is that when Mr. Malvasi speaks of abortion, he frames it in military terms.

"History will show that abortion in New York state was nothing more than the dissipation of the black and Puerto Rican population," he said in an interview. "That's where most of the kills were."

In Vietnam parlance, "dissipate" is the verb for kill, and "kill" the noun for fatality.

Mr. Malvasi was born Jan. 18, 1950, the seventh child of Jenny Malvasi. His mother placed most of her 12 children in the St. Joseph Home, a Roman Catholic orphanage in Peekskill, N.Y.

There Dennis lived for 12 of his first 14 years, until Mrs. Malvasi brought him to her home in the East New York section of Brooklyn. The neighborhood, abruptly shifting from white to black and working class to slum, was a cauldron of racial hatred.

"To come to East New York from a home run by Christians was a shock," Mr. Malvasi said. "I constantly caught beatings from black people for no reason. The whites used to beat me up, too, because they thought I was Puerto Rican. The whole neighborhood was brutal."

Then he saw escape in the form of a marine from the neighborhood, hard and proud in his dress blues. Mr. Malvasi went to a U.S. Marine Corps recruiting station to enlist.

The 27th Marine regiment, Mr. Malvasi's regiment, was deposited into Vietnam in the vicious aftermath of the Tet offensive.

As a field radio operator, Mr. Malvasi always took heavy fire, because he provided the single link to air support or evacuation aid and because his position was betrayed by the antenna protruding from his

See BOMB, Page 2







## U.S. Senate Approves Budget With New Taxes, Hold on Military Outlays

By Tom Kenworthy  
Washington Post Service

WASHINGTON — The Democratic-controlled Senate, setting the stage for what could be a prolonged confrontation with the Reagan administration, approved on Thursday a \$1 trillion fiscal 1988 budget that calls for \$18.3 billion in new taxes.

The Democratic budget provides no increase for military spending beyond inflation and shields key domestic programs from deep cuts sought by Mr. Reagan. It was approved on a 56-42 vote.

The budget plan must still go to a conference with the House of Representatives, which adopted a budget last month that contains about \$9 billion less in military spending for the 1988 fiscal year.

All 53 Senate Democrats who were present voted for the plan and were joined by three of their liberal Republican colleagues, Lowell P. Weicker Jr. of Connecticut, Robert T. Stafford of Vermont and John H. Chafee of Rhode Island.

Democratic unity on the budget was achieved only after the Budget Committee chairman, Lawton Chiles, Democrat of Florida, substantially altered the spending plan narrowly approved by his committee last month.

The key change was a \$7 billion addition to military spending for the fiscal year that begins Oct. 1, which will take effect only if Mr. Reagan signs separate legislation raising taxes by \$18.3 billion the first year and \$19 billion over four years.

The change would allow Pentagon spending to keep pace with inflation.

Also, \$2 billion was added to domestic programs to win the support of liberal Democrats concerned about protecting education, health, veterans' and urban development programs.

Senate Republicans, mindful of the president's repeated vows to veto any tax increase, bitterly criticized Democrats for holding the military budget "hostage" to a tax increase and predicted that the White House would eventually win the political war, which could stretch through the summer and into the fall.

Republicans see the budget vote as only the first skirmish over a spending plan that still must be implemented by separate legislation that the president could veto.

But the dispute over the congressional budget resolution is also part of a larger political battle between the two political parties as they head toward the 1988 campaign.

Even as Democrats were touting their budget as confirmation of their ability to govern with fiscal prudence and compassion, Republicans were warning of the familiar charge that Democrats are the party of onerous taxation and profligate spending.

"The Senate vote on the budget is a victory for common sense and truth in budgeting," said Robert C. Byrd, Democrat of West Virginia and the Senate majority leader. He said the vote showed "that the Democrats in Congress can manage the nation's business."

But Robert J. Dole, Republican of Kansas, said, "I feel like it's 1980 or 1979 all over again. Here we are adding more spending and raising more taxes, the same thing voters rejected in 1980 and 1984. Here we

go again." Mr. Dole, the Senate minority leader, plans to seek his party's nomination for president.

### Excise-Tax Option

Gary Klotz of The New York Times reported from Washington: Excise taxes have emerged as the only politically palatable option that congressional tax writers see to raise \$18 billion in new revenue to meet the 1988 budget target.

Such a move would confront motorists, smokers, drinkers and telephone users with the steepest rise in federal excise taxes ever.

Legislators have dismissed the idea of raising income taxes so soon after last year's overhaul. And in the face of specific threats by President Ronald Reagan to veto any increase in income tax rates, lawmakers say they believe that excise taxes are the only kind that the White House might ultimately accept.

Congress has frequently turned to excise taxes to fill small budget gaps, adding a few pennies to the cost of a pack of cigarettes or a bottle of bourbon to raise a few billion dollars. This year, they are being counted on to raise far more money than that.

Congressional tax writers say they must go after several excise tax targets and squeeze them all much tighter than political considerations would ordinarily permit in order to raise the \$18 billion in new taxes. That is the amount called for by the Senate budget plan and the previously passed House package.

Among the proposals being discussed are a doubling of the cigarette excise tax; an increase in the gasoline tax of 10 cents a gallon or the introduction of a \$5-a-barrel oil import fee; as much as a 49-cent increase in the tax on a six-pack of beer; and as much as a 52-cent rise in the tax on a bottle of wine.

With such proposals expected to draw heavy fire from consumers and industry groups, tax writers see a difficult challenge in trying to meet the House and Senate targets with excise taxes, if Mr. Reagan accepts \$18 billion in new taxes.

Industry lobbyists are already mobilizing. An ad-hoc coalition of industry groups, including the American Automobile Association, the American Truckers Association and two dozen other trade associations met recently to map strategy to fight fuel tax increases.

The truckers' group is also leading another coalition, including wine, beer and tobacco industry groups, to campaign against excise tax increases.

These organizations have fresh battle experience. Last year, they were successful in helping quash a proposal in the Senate Finance Committee to include a 10 percent excise tax increase as part of its income tax overhaul plan.



Thomas Green, an attorney for Major General Richard V. Secord, covered the microphone as he advised his client during congressional hearings into the Iran-contra affair.

## North Praised by Bush After Firing, Secord Says

By Stephen Engelberg  
New York Times Service

WASHINGTON — Hours after President Ronald Reagan dismissed Lieutenant Colonel Oliver L. North from the National Security Council, Vice President George Bush telephoned Colonel North and offered warm praise for his work, according to congressional testimony.

Major General Richard V. Secord, in his second day of testimony before the special House-Senate committee investigating the Iran-contra affair, disclosed Wednesday that Mr. Bush phoned Colonel North in November, shortly before Mr. Reagan called him with a similar message.

General Secord, a retired air force officer, also explained why he believed that Mr. Bush had personally met with Felix Rodriguez, the former intelligence officer who was coordinating a private airlift from El Salvador for the Nicaraguan rebels, or contras.

The vice president has acknowledged that Mr. Rodriguez had met with Mr. Bush's national security adviser, Donald P. Gregg, in August, but repeatedly has denied any involvement in the covert program to supply the contras.

But General Secord has drawn Mr. Bush's name into discussions of the program during his testimony. Still, no direct evidence implicating the vice president has come out.

On Wednesday, General Secord said that John Dutton, a retired officer who worked with him on the airlift operation, had told him that he had escorted Mr. Rodriguez to the vice president's office in early August for a meeting.

General Secord said that the sole basis for his comment that Mr. Bush had met with Mr. Rodriguez in August was that "my man Dutton accompanied him as far as the office."

Larry Thomas, Mr. Bush's press secretary, said Wednesday: "General Secord was misinformed, and his source was mistaken. The vice president was not in a meeting of that nature."

As for the telephone call to Colonel North, Mr. Thomas termed it "a brief call to wish him well."

There have been several other suggestions that Mr. Bush, a former director of central intelligence, may have had some knowledge of the private supply network or of Colonel North's efforts to aid the contras.

Investigators said last week, for instance, that they had found a note in Colonel North's files from November 1985 in which Mr. Bush praised the National Security Council aide for his work on behalf of the contras. Questions had been raised about the legality of Colonel North's activities three months earlier.

## White House Seeks to Secure Reagan Gains

By Steven V. Roberts  
New York Times Service

WASHINGTON — Around the White House it is sometimes called Operation Legacy.

Nobody has issued a statement or made a speech about it. It has no official leaders or organizational tables, no offices or telephone numbers.

But with only 20 months left in Ronald Reagan's presidency, Operation Legacy is a real and increasingly significant concept: a deliberate and organized effort by conservative Republicans to "lock in" many of the gains achieved in Mr. Reagan's six years in office.

Protecting those achievements against Democratic assaults on Capitol Hill, an administration official said, is a "very important part of the strategic thinking" in the White House these days.

Speaking of the Democratic leaders, he added: "Look at their budget proposals — they're diametrically opposed to ours. Look at arms control — the liberals in the House are desperately trying to attach amendments to military appropriations bills. Clearly, there's a major attempt in Congress by the Democratic leadership to undo much of what President Reagan has already achieved."

The president himself talks frequently about shoring up his triumphs in the remainder of his term, which ends in 1989. Speaking to the American Business Conference recently, Mr. Reagan said: "The best way to protect our economic achievements is to institutionalize the revolution that we launched when we came here six years ago. And believe me, I intend to do just that."

The informal and loosely knit effort to work toward that end has occupied White House thinking since the start of Mr. Reagan's second term. But it received new momentum after Howard H. Baker Jr. became chief of staff in February.

The appointment of Mr. Baker, who built a reputation as a pragmatic conciliator in his years as Republican leader in the Senate, caused "universal dismay, gloom and doom" among hard-core rightists, said Edwin J. Feulner Jr., president of the Heritage Foundation.

Mr. Baker used his conciliatory reputation to advantage when, within weeks, he asked Mr. Feulner, a leading conservative intellectual, to become a part-time White House adviser on domestic policy. Mr. Baker also asked T. Kenneth Cribb Jr., an outspoken conservative with close ties to Attorney General Edwin Meese 3d, to become assistant to the president for domestic affairs.

Mr. Feulner and Mr. Cribb joined Gary L. Bauer, the assistant to the president for policy development, Tony Dolan, the chief speechwriter, and Frank J. Donner, the president's chief political adviser, to form a cadre of conservatives within the White House dedicated to keeping an ideological flame burning for the rest of the Reagan presidency.

Democrats concede that in some respects, Operation Legacy is working. Huge budget deficits make it almost impossible to suggest significant increases in domestic spending. And Mr. Reagan's appointments to the federal judiciary will guarantee his influence for years to come.

But in others ways, the Democrats say, the Republican effort to protect Mr. Reagan's achievements is doomed to failure.

"There's no way you can lock things in," said an aide to the Democratic leadership in the House of Representatives. "On any bill that comes up, you can revise most of the things done in the past."

The field marshals for Operation Legacy have different responsibilities. Mr. Feulner is conducting an inventory of all cabinet departments and trying to establish priorities for the administration's final months. Mr. Bauer is in charge of producing new ideas, and his most recent suggestion was for a special commission to advise the president on the policy implications of the crisis over acquired immune deficiency syndrome. Mr. Cribb will focus on generating support among conservative activists.

The conservatives know that their ability to protect Mr. Reagan's legacy is limited by time and political reality.

"It's uphill," Mr. Feulner said, "everybody knows it's going to be uphill."

But Operation Legacy is going forward on many levels, and one is the battle for public opinion. When Mr. Reagan repeatedly refers to the

Democrats as "tax and tax, spend and spend" liberals, he makes it harder for his opponents to champion increased social spending.

Another front is legislation, and the White House thinks it still has a chance to promote a few selected

policy, such as aid for the Nicaraguan rebels. In trying to preserve some sort of aid to the rebels, known as contras, the president has shifted his goal from a military victory over the Sandinistas to a negotiated settlement.

The president has vowed to use his veto to block measures, such as a tax increase, that would reverse his past successes. But the first two vetoes he cast this year, on bills that would clean up U.S. waterways and rebuild highways, were overridden by Congress.

"With each step," said the House Democratic aide, "there is a little less fear of the president's potency."

As part of Operation Legacy, the conservative staff members are trying to plant ideological allies in jobs throughout the executive branch in the hope that they will survive beyond the Reagan years.

The most obvious example of this strategy was the unsuccessful attempt to persuade Justice Byron R. White to leave the Supreme Court and become head of the Federal Bureau of Investigation. That would have given Mr. Reagan a chance to name a younger and more conservative justice.

## The informal and loosely knit effort to preserve the Reagan legacy has occupied White House thinking since the start of Mr. Reagan's second term.

## Helms Goes All Out to Block Reagan On New Ambassador to Mozambique

By David B. Orin  
Washington Post Service

WASHINGTON — Can a senator bury a president's ambassadorial nomination in an avalanche of questions? In the case of Melissa Feltsch Wells, President Ronald Reagan's ambassador-designate to Mozambique, Senator Jesse Helms is out to see if he can.

Nominated Oct. 7 to fill the post vacated by Peter Jon de Vos, Mrs. Wells has answered in writing 247 questions from Mr. Helms, a North Carolina Republican. Old-timers at the State Department say they believe that she is a record.

"It's questionable that Mrs. Wells can represent our interests in

Mozambique," said Claude A. Allen, Mr. Helms's press spokesman. "The senator is questioning her qualifications for the position, and there are a number of senators who have serious questions about U.S. policy toward Mozambique."

Mr. Helms has warned that he has information he wants to discuss "in detail" if Mrs. Wells comes up for a vote, an apparent threat to filibuster her nomination.

The test may come Friday, when Mrs. Wells's supporters are expecting the showdown in the Senate.

Mrs. Wells, who joined the Foreign Service in 1958, served as ambassador to Guinea-Bissau in 1976-77. But one concern of Mr. Helms is that she also served in the U.S. mission to the United Nations during the Carter administration, when Andrew Young was the chief U.S. delegate.

"There is a question whether Reagan knows this," said Mr. Allen. Mr. Helms and Mr. Young are longtime opponents.

[The State Department called Wednesday for swift Senate confirmation for Mrs. Wells. The Associated Press reported from Washington, a department spokesman, Charles E. Redman said that Mrs. Wells was "exceptionally qualified" for the assignment.

"We've been without an ambassador for three months at a time when many pressing issues, including a growing food emergency, require urgent attention," he said. "The administration believes that this nomination should be acted on without further delay."

Mrs. Wells is not the only ambassador-designate having trouble. Senator Gordon J. Humphrey, Republican of New Hampshire, led a four-month campaign to block the nomination of Arnold L. Raphael to become ambassador to Pakistan.

Mr. Humphrey said Mr. Raphael was responsible for holding up aid to the rebels fighting in Afghanistan and for a decision to guarantee jointly with the Russians a future political settlement there.

Mr. Humphrey, who is not a Foreign Relations Committee member, was allowed to submit Mr. Raphael to a grueling cross-examination at confirmation hearings Feb. 20.

Mr. Raphael's nomination was approved Friday by the full Senate, with 19 senators voting against and 76 for him.

Another nominee, Richard N. Viets, is having trouble going through the confirmation process. Mr. Helms is holding up his nomination in committee with questions about his management of embassy money while serving as ambassador to Jordan in 1981-84. A department audit has cleared him of wrongdoing.

Despite Mr. Helms's past use of delaying tactics to combat State Department nominees, Mrs. Wells seems to be a case apart.

Most of the 247 questions she has been asked probe the Reagan administration's rationale for embracing the Marxist government in Mozambique and opposing rebels who are out to overthrow it.

Others concern the administration's policy in southern Africa of "constructive engagement," or the use of quiet persuasion, and whether it has survived congressionally mandated sanctions against South Africa.

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## Breast Cancer and Alcohol Linked

Studies Indicate Even Light Drinking May Increase Risk

By Susan Olkie  
Washington Post Service

WASHINGTON — Women who drink alcoholic beverages, even in moderation, are at significantly greater risk of developing breast cancer than women who do not drink, according to two studies published Thursday in the New England Journal of Medicine.

The studies found that women who had about three drinks a week were approximately one and a half times more likely to develop breast cancer than non-drinkers. The risk rose with the amount of alcohol consumed.

Drinking appeared to affect breast-cancer risk more in younger women than in women who were past menopause.

The findings, which come from large studies, add credence to reports suggesting that alcohol was an important risk factor for the disease.

They prompted the New England Journal of Medicine to publish an accompanying editorial, which suggested that women with other recognized risk factors "curtail their alcohol ingestion."

"These factors include obesity, having few children or none before age 25, and a family history of breast cancer," the editorial said. "When you've got this kind of consistency" between separate

studies, "I think it should not be dismissed," said Dr. Arthur Schatzkin, a staff fellow at the National Cancer Institute and author of such a study. He said it is not known why alcohol should increase breast-cancer risk.

Breast cancer is second only to lung cancer as the leading cause of cancer deaths among women in the United States, striking one in 10 at some time in their lives. About 41,000 women will die of the disease in the United States this year, according to the American Cancer Society.

There are as many as 14 studies linking alcohol intake and breast cancer, according to Saxo Graham, chairman of the department of social and preventive medicine at the State University of New York in Buffalo, who wrote the editorial published Thursday.

Dr. Schatzkin said more research was needed before women should be advised to change their drinking habits. Mr. Graham maintained that the seriousness of the disease and the weight of the evidence justified preventive measures.

"We may change our recommendations" when the relationship between alcohol and breast cancer is better understood, he said.

Dr. Schatzkin and his co-

workers investigated the relationship of alcohol consumption, other risk factors and breast cancer in women who participated in a federally sponsored health and nutrition survey in the 1970s.

Of the 7,188 participants, 121 developed breast cancer. Women who drank alcohol were 50 percent more likely to develop breast cancer than nondrinkers, and women who had more than three drinks a week had twice the risk of nondrinkers.

A second study, by researchers at Harvard Medical School, examined alcohol consumption and breast cancer risk in nurses who completed a detailed dietary questionnaire in 1980.

Of the 89,538 nurses, 601 developed breast cancer in the ensuing four years. Women who had three to nine drinks a week had a 30-percent greater risk of breast cancer than nondrinkers, and those who consumed more than nine drinks a week had a 60-percent greater risk.

Alcohol had the greatest influence on breast-cancer development in women under 55 with no other risk factors for the disease. In the Harvard study, women in this category who had more than nine drinks a week had two and a half times the rate of breast cancer seen in nondrinkers.

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## Chilean Sentenced In Letelier Case

Washington Post Service

WASHINGTON — A former member of the Chilean secret police who pleaded guilty to being an accessory after the fact to the car bombing assassination of former Ambassador Orlando Letelier in 1976 was sentenced here Wednesday to 27 months to seven years in prison.

Armando Fernandez Larios, 37, has implicated President Augusto Pinochet of Chile in an official cover-up of the bombing. Letelier, ambassador to the United States under President Salvador Allende, was a harsh critic of General Pinochet, who became president after a coup in 1973 which Allende was killed.

The accusations against General Pinochet and two of Mr. Fernandez's superior officers of the Chilean secret police, who he said had orchestrated the bombing, have created a major political scandal in Chile.

## VOTE: Far-Rightists Gain, Overtaking Apartheid Foes

(Continued from Page 1)

the left and on the expected scrutiny of the far-right opposition.

Moreover, in the face of an ascending conservative movement in South Africa, the government will have to proceed carefully with its program of limited, gradual elimination of apartheid.

Even moderate anti-apartheid campaigners seemed deeply depressed Thursday.

Mangosuthu Buthelezi, chief minister of the self-governing KwaZulu tribal homeland and leader of the moderate, 1.6-million-member Inkatha movement, said he was "totally appalled" at the election. Increased violence may lie ahead, he warned.

"I fear for the future," he said. "The white electorate has given more justification to the arguments of those who say that only escalated violence can bring whites to their senses."

Archbishop Desmond Tutu said South Africa had entered the "darkest age of its history."

"Now we have a right-wing government that has been confirmed in its right-wing views, with the possibility of an extreme right-wing opposition," he said at a news conference in Cape Town. "I believe what we are going to see now is an escalation of the intransigence of this government, an escalation of its oppression and intolerance of any dissent."

[In Lusaka, Zambia, the African National Congress described the election result as a signal to step up its guerrilla war against apartheid. Reuters reported.]

[Its president, Oliver Tambo, said: "The election results blew the whistle for the ANC to intensify the armed struggle." At a news conference, he said: "This is a greater challenge than before. The results are saying that it is all right to have a state of emergency. The results are saying it is all right to continue

with detentions, even of children." The Progressive Party leader, Colin W. Egan, said the election was a setback not only for his party but for "the process of fundamental reform in South Africa."

The Five Freedoms Forum, an alliance of white anti-apartheid groups, said the election had crushed hopes for a negotiated democracy.

In an interview on state-run television Thursday night, Mr. Botha said his government had received a firm mandate by the white electorate to guarantee internal security in South Africa and "constitutional and gradual" reform.

While endorsing what he called "moderate reform," the president said: "But at the same time, the South African white electorate is not prepared to follow a policy of one group dominating another."

He added, "They are here to stay, and they have a special duty to South Africa."

(Continued from Page 1)

the hearing, was charged with attempting "to pervert the course of public justice."

Mr. Saunders also was charged with two separate counts of destroying and falsifying documents related to Guinness while serving as the company's chairman and chief executive officer, in violation of Britain's 1985 Companies Act. All three charges relate to the period from Dec. 1 to Jan. 30.

Under the charge of obstructing justice, Mr. Saunders could face a prison term of unspecified length. The charges of tampering with company documents carry a maximum penalty of seven years in prison and an unspecified fine.

The British government's investigation, according to official sources, was prompted by information provided to the trade ministry by the U.S. Securities and Exchange Commission. It was obtained during the SEC's investigation of an insider-trading case

against Ivan F. Boesky, the New York arbitrator, the sources said.

Sources at the British trade ministry said privately earlier this year that they would push for arrests on the Guinness investigation "some time before the election."

The government of Prime Minister Margaret Thatcher is eager to be seen cracking down on white-collar crime, and she is widely expected to call Monday for a June 11 general election.

On January 14, the Guinness board dismissed Mr. Saunders and requested the resignations of two other directors, citing "allegations of possible misconduct."

Last month, Guinness secured an injunction from Britain's High Court to freeze the assets of Mr. Saunders until it receives repayment of a £5.2 million payment to another Guinness director that allegedly was authorized by Mr. Saunders. He denied any wrongdoing during that civil proceeding.

## GUINNESS: Ex-Official Arrested

(Continued from Page 1)

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# Herald Tribune

Published With The New York Times and The Washington Post

## The Web of Contempt

What a sad epitaph for William Casey. As he lay dying, testimony in the Iran-contra hearings showed that he was a leader in the Reagan administration's effort to subvert the law and the will of Congress. His terminal illness already had deprived him of any chance to defend himself. With his death, there is need to guard against making him a scapegoat. As the Iran-contra story unravels, it becomes clearer that responsibility is more widespread than the administration will yet admit.

Richard Secord, a retired general, is telling the Senate and House committees that his arms networking, which the administration has called private enterprise, was much more than a rogue operation run by Lieutenant Colonel Oliver North. In fact it had plenty of prestigious and official support.

Others now make the same point. One is Lewis Tumb, who resigned as ambassador to Costa Rica amid suggestions that he gave impermissible military help to the Nicaraguan rebels. Saying he would not take the rap alone, he insisted his orders came from authorized channels: a tight group of policy makers that included Assistant Secretary of State Elliott Abrams and Alan Fiers, head of the CIA's Central American Task Force.

Who knew? How many high administration officials were involved in the extensive effort to funnel aid to the contras, even after the Congress forbade it?

This painful accounting, as Senator Dan-

iel Inouye stated in opening the hearings, does not merely concern secret operations. It concerns secret foreign policy, like the refusal to pay ransom for hostages, as well as the ban on arms for the contras.

It is not yet clear how large and central was William Casey's role in these operations. But at a minimum he was guilty of knowing that broad evasions of law were under way and yet, we are told, not telling the president, much less Congress.

General Secord tells an amazing story of the privatized power he wielded as a White House agent. The general played the role of a "commercial cutout," dressing up the Iran arms deals as private financial transactions because uncooled government-to-government dealings would have violated the law and embarrassed both sides. His account is but the latest evidence that knowledge of Iran-contra was widespread. Such an operation is impossible unless key officials from various government agencies participate and systematically deceive and disobey Congress.

Mr. Casey's widely known distrust of the Senate and House Intelligence committees set a tone for an administration that decided for itself that Congress had no right to restrict the executive branch in national security matters. But it is already too late to blame him, or any one person. Who knew? Every day, the web of contempt widens.

—THE NEW YORK TIMES

## Amends, 45 Years Later

The Smithsonian Institution is not often in the middle of political controversy. But an exhibit planned by one of its museums — the National Museum of American History — in connection with the bicentennial of the U.S. Constitution has caused a stir. That is because it raises the painful question of how, under the constitution, it was possible for the United States to intern Japanese-Americans during World War II. We think the museum is right to go ahead with the exhibit, despite some protest. The questions it raises are worth debating.

Americans of Japanese ancestry — citizens as well as legal aliens — who had been neither charged nor convicted of any wrongdoing, were summarily shipped off to detention camps in 1942. For many years after the war had ended, there was little public discussion of the policy. Military authorities said the evacuation had been necessary to protect the West Coast, and even the Supreme Court ratified the harsh decision. Some small payments were subsequently made by the government to compensate for tangible losses — about \$37 million in all — but most evacuees lost

homes and businesses or sold them for a pittance during the brief time they were given to pack up. No compensation was ever made for the years spent in confinement, for the terrible stigma of imprisonment or for the injustice that was inflicted.

Some steps have been taken recently. President Gerald R. Ford, in 1976, acknowledged that a mistake had been made. Courts have overturned some convictions for violating exclusion orders, and new civil suits for damages have been litigated. These may not succeed because of the statute of limitations, but the Congress can still respond to recommendations made by a special commission in 1983 and vote to compensate the victims.

About half of the original 120,000 internees are still living. A Senate bill with 69 co-sponsors and a House bill with 137 have leadership backing, and momentum. Both call for a formal apology to individuals and some payment, both personal and into a general trust fund. Those who have doubts about the need to make amends should visit the Smithsonian exhibit this summer.

—THE WASHINGTON POST

## Bailing Out the S&Ls

The House of Representatives caved in to the savings-and-loan lobby this week and passed a bailout bill that is far too weak. Normally an ailing industry welcomes the government nurse. Not this time. More than 10 percent of the federally insured savings and loans institutions in the United States are technically insolvent. They are being allowed to stay in business — and in many cases to compound their losses — because there is not enough money in the federal insurance fund to compensate their depositors if they were to be shut down.

The insolvent institutions do not want a strong bailout bill because they want to stay open. Just one more roll of the dice, they say: let us recoup. The people to whom they are continuing to lend want them to stay open too. Meanwhile, the prospering savings and loans institutions are also resisting an adequate bailout because they do not want to foot the bill.

The Treasury proposed a \$15 billion bailout fund. House Speaker Jim Wright and Representative Ferdinand St. Germain, chairman of the banking committee, belatedly

came round to the same figure. The House heeded the symphony back home instead and voted for \$5 billion. The arguments are that more can be voted later if it is needed; that you do not want to give federal regulators more money than they need, for fear they will shut down associations they should not; and that if you wait, the farm and oil and other weak sectors of the economy may recover enough to bail some of these institutions out with much less of a burden on their sounder brethren. For these and other reasons the Senate also voted for a smaller bill.

But all that the congressmen are doing is temporizing, shoving another huge and ugly economic problem off into the future, when, if they are lucky, someone else will have to deal with it. Too many bad loans were made: the Federal Home Loan Bank Board estimates that it will take more than \$20 billion to keep the depositors in the insolvent savings and loan associations whole. Instead of facing up to these losses, Congress has chosen to nibble at them on the installment plan.

—THE WASHINGTON POST

## Other Comment

### Botha and the Far Right

As he had warned when he called early elections, President Pieter Botha maintained his majority. But this victory has a bitter taste because of the clear success of the extreme right, ready to fight by any means against the prudent reformism of the ruling National Party.

The rise of the extremists is troublesome for the head of state. But he can use it to plead the need for prudence before those in the West who complain. The relative defeat of the liberals will reinforce him in his conviction that his party alone is capable of making the country evolve in accord with the majority of whites.

—Le Monde (Paris).

### Bad Old Habits in Portugal

The dissolution of the Portuguese parliament presents an opportunity and a danger for the poorest member of the European Community. There is reason to hope that the election July 19 will help to consolidate the advances made in the past four years toward stabilizing what, before, had been a democracy of continuous cabinet crises. Yet the manner in which the minority government of

Anibal Cavaco Silva was brought down last month was a reversion to the bad old days. Straightforward politicking caused General Antonio Ramalho Eanes, former president, to withdraw the support of the Democratic Renewal Party from Dr. Cavaco Silva. Portugal will not be able to confront the European challenge if General Eanes's coup were to signal a return to the political merry-go-round which, so far, has given the country 19 governments since the overthrow of dictatorship in 1974.

—The Financial Times (London).

### Sawing Into the Limb

Sinking the saw's teeth a few inches deeper into the limb on which the U.S. economy is resting, the House passed its much heralded trade bill last week — complete with the Gephardt amendment, which would require mandatory sanctions against countries with "excess and unwarranted" trade surpluses with the United States. The bill is an unmitigated disaster. Richard Gephardt certainly drew a lot of attention by introducing his outrageous amendment to the already bad bill, but may have disqualified himself as a responsible candidate for office.

—The Detroit Free Press.

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## OPINION



## Season of Scandal: When Conviction and Policy Clash

By William Pfaff

PARIS — Britain today has an even more sensational political scandal than Iranagate. The British scandal poses the same problems of secret power and accountability, and of what an individual should do when conviction clashes with an elected government's policies.

The affair is of alleged treason, among other high crimes. An element in the British security service, MI5, is said to have conspired to undermine two British governments at the beginning of the 1970s.

The story is set forth by a former MI5 officer, Peter Wright. He claims that about 30 members of MI5, politically motivated, conspired to overthrow the Labor government of Prime Minister Harold Wilson and tried to discredit the Conservative government of Edward Heath. Sir Harold was held to have about him people working for the KGB, or even to be himself compromised by the Soviet or other East-bloc intelligence services. Mr. Heath was thought insufficiently anti-Communist.

Mr. Wright says that the CIA was also involved, and that he and his colleagues "bugged and burgled our way across London" for five years. He says that he himself committed 23 criminal acts and 12 acts of treason in the course of the affair.

One interpretation of all this is that

it was simply a rogue operation by extreme rightists in the secret service. Another argument holds that, whatever the operation became, it began with authorization at highest MI5 levels, based on credible information concerning Mr. Wilson or his associates, and that "far from being a conspiracy to bring down an elected government, the operation was aimed at protecting that government from danger by subversive agents" (to quote an anonymous apologist for MI5). The phrasing of this explanation is not without ambiguities.

The underlying question is an important one: What does a responsible security service do if it has good reason to think that a nation's leader is compromised by foreign agents or untrustworthy under their influence? What does it do if its officers become convinced that the executive arm of government, which it owes obedience, is itself insecure? What do responsible officials do if they believe that their government's policies actually betray the nation?

The last question transports us from London to Washington, and to the Iranagate hearings. In Washington, officials took policy in their own hands, convinced that a congressional ban on U.S. government support

for the Nicaraguan contras was wrong and that they had a duty, or a right, to break the law.

Even if these people acted with President Reagan's implied endorsement, the problem posed is that of individuals in government who come to believe that they possess a private grasp, lacking to the public, of some great issue, and that they have a moral obligation to do something about it even if this requires breaking the law.

If a democratic nation freely elects for itself a course toward ruin, do responsible people inside the government have to go along with this? What does an honorable person do in such extreme circumstances?

The key distinction seems to me to be between moral issues and political ones. It is a recognizable distinction even if the two often overlap.

An official seems to me obliged to confront, fight and, in the extreme case, disobey or subvert an immoral national policy. This involves many prudential considerations, but the principle seems to me unassailable. The obvious modern case in point is that of the July 20 conspirators in the wartime German government who tried to overthrow Hitler.

But we are not talking about extreme cases in the MI5 and Iranagate

affairs. We are talking about people who interfere with elected governments on political or security grounds, and do so when there are alternative courses available within the political system. That this occurs, and possibly is occurring more often than the public thinks, is a disquieting matter. To employ secret powers to thwart the policy of an elected legislature or to undermine a government, thereby denying the public will, is an act destructive of representative government.

To the individuals involved, of course, things are never so clear. When they possess power for which they are not publicly accountable, the possibilities offered by that power can become intoxicating. That is what happened in Washington, and it may be what happened in Britain.

We may never know in the British case. Prime Minister Margaret Thatcher refuses to offer a full explanation or to order an inquiry.

Americans, not to speak of the British, are inclined to be complacent. Each scandal is interpreted as a reassurance that "the system is working." One wonders if there may not be more occasions than we know when it did not work; and if we can so confidently rely on it to continue working.

International Herald Tribune

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## The Desperate, Testy Casey Wasn't the Real 'Big Bill'

By William Safire

NEW YORK — "My lips are sealed," William J. Casey used to tell us cheerfully, and politicians knew that their innermost campaign secrets were safe.

In the presidential campaign of 1960, a front group was needed to sign an anti-Kennedy ad. A former Republican chairman, Len Hall, sent us to his Long Island law partner, within hours. Bill Casey assembled a paper committee, got a wad of cash from a fellow who would later head the FBI, parked the money in a quickly collapsible bank account, and adeptly gave the deed the coloration of law. He knew how to get things done.

He proved that in World War II when he was "Wild Bill" Donovan's spy-master for Europe, working with Allen Dulles to drop OSS agents behind Nazi lines. After the war he helped form the CIA, then left espionage to turn his brilliant mind and get-it-done talents to venture capital and adventure politics.

His combination of gruff enthusiasm and brains made him an invaluable campaign aide and a terrible politician. Helping him campaign for the Republican nomination to Congress in 1966, I took him to a speech teacher to slow his torrent of mumbled ideas. He accepted defeat manfully.

In the first Reagan term, Bill Casey applied the best of his talents to the job of director of central intelligence. Covert action improved in Afghanistan, Central America and Angola; morale soared as agents knew their boss had the president's ear and trust. Bill Casey was in his element.

Came re-election landslide in 1984 and the replacement of James Baker, the White House chief of staff, with a Casey ally, Donald Regan. Here was Bill Casey's chance to attain his dream: to re-establish CIA influence in Iran, some of the agency's greatest early triumph, and to reverse the Communist penetration of Central America. Worthy goals for a patriot; suitable capstones to the greatest American intelligence career.

But Bill saw his CIA as hamstringing with reporting requirements that would cause leaks and endanger his agents. He came up with a way around the congressional restraints: Use the National Security Council staff as an operational arm. When terrorists kidnapped and began the torture of his CIA station chief in Beirut, he found a new urgency in an opening to Iran. Strategic creativity merged with tactical needs.

The Iranian opening was Bill Casey's baby, done mostly but not completely outside the CIA. When his deputy objected, he was fired. The CIA chief, supported by a former CIA chief, George Bush, and tacitly by Chief of Staff Regan, and followed obediently by apparitions like Bud McFarlane and John Poindexter, prevailed in the National Security Council over the strange bedfellowship of the secretaries of state and defense. President Reagan followed Mr. Casey's advice.

It was about this time that Mr. Casey's person-

ality changed radically. He found he had prostate cancer (and so informed the president, who had cancer worries of his own); time was short. He grew testy with friends, easily infuriated at criticism and hypersensitive to leaks. After I took a pop at him in print, he bellowed at me over the phone and later blew up at me at a large party.

In the fall of 1986, as the Iran-contra dealings began to unravel, and the presence of the former Casey client Roy Furmark as the agent for the middlemen showed the Casey band, the CIA director was railing that "unauthorized disclosures of classified information have become a cancer" and calling for jail for errant publishers. Strange.

On the Sunday before an undetected tumor, caused his seizure, my former old friend called me three times. He explained our estrangement, saying, "You froze me out," and put forward the cover story he had concocted with the dates confused, but protective of the president and the agency. In the next day's column, I pulled my punch somewhat, and was glad I had after he was discovered to have a brain riddled with cancer.

The desperate mind that led the Reagan administration over a cliff in his final year at the CIA was not that of the old Bill Casey. The "Big Bill" we knew so well was an enthusiast, not a zealot; warmhearted, not thin-skinned; loyally discreet, not secrecy-obsessed. His friends will remember the real Casey, not the afflicted Casey, now that his lips are finally sealed.

The New York Times.

## The Gulf: The Soviets Are There in Surprising Force

By John C. Ausland

This is the second of two articles.

SLO — When you talk with Soviet officials about their rivalry with the United States, they maintain that they have no foreign bases. To arrive at that remarkable conclusion they leave aside Soviet installations in Eastern Europe and Mongolia, to say nothing of Afghanistan.

Although the Soviet presence in the Gulf area should not be exaggerated, it is more extensive than most people realize. In peacetime, Soviet facilities in Ethiopia and South Yemen aid deployments in the Indian Ocean; in event of war, they would put Soviet forces close to the Red Sea.

The Soviet effort to expand into the Middle East has not been a joyride. It began in the mid-1950s, with the sending of equipment through Czechoslovakia to Egypt. Exploiting Egyptian enmity with Israel, President Gamal Abdel Nasser's ambitions and Western stupidity, the Soviets built a considerable presence in Egypt.

With time, the Egyptians found their Soviet advisers intolerable. When Anwar Sadat finally expelled them in 1972, they moved their operations to Somalia. When the Kremlin decided to support Ethiopia in the struggle over the Ogaden, the Somalis told the Russians to pack up. They shifted operations to South Yemen.

Although the Soviets seem well entrenched in Ethiopia and South Ye-

men, they must ask themselves at times where they could hop to if they had to leave those countries.

Having built a substantial navy, Moscow inevitably wanted to operate in the Indian Ocean. It began doing so regularly in the late 1960s, about the time the British announced their withdrawal from east of Suez. Operating out of Vladivostok was difficult. The acquisition of the U.S.-built base at Cam Ranh Bay in Vietnam has helped. Even that, though, is distant from the Middle East.

The Soviet Navy is dependent on facilities in South Yemen and Ethiopia for operations in the Indian Ocean. When it began to operate there, it could only remain for about five months. It now operates year-round.

It is not easy to get detailed information regarding Soviet activities in Ethiopia and South Yemen. There have been press reports about naval activities on the Dahlak Islands off the Ethiopian coast; some reports maintain that the Soviet facilities there are extensive. But the 1987 edition of the Pentagon report "Soviet Military Power" refers to them as small.

The Soviet Union and South Yemen maintain that the Russians have no bases in that country, but this is a matter of semantics. They make extensive use of the port of Aden and various Yemeni airfields. There are reports that they are developing naval facilities at Mukalla, east of Aden.

Reports conflict about Soviet activities on Socotra, a South Yemen island off the Horn of Africa. Some refer to submarine pens. Since waters around Socotra are shallow, the Soviet Navy

is able to use it as an anchorage.

The Soviets cannot be very comfortable with South Yemen. Plagued with tribal and ideological rivalries, it has had one revolution after another. In the most recent, early last year, the Soviets found it difficult to choose sides. Once they did, according to the Pentagon's 1987 report, Soviet pilots flew combat missions to support the revolutionaries, and Soviet aircraft transported Cuban troops from Ethiopia, which helped drive the government forces into North Yemen.

The Soviets have not found it easy to reconcile their activities in South Yemen with their courtship of other Arab nations. Yet they have been conducting a major effort to establish diplomatic relations. They now have relations with all Arab countries except Saudi Arabia, Qatar and Bahrain.

The circumstances in which the Soviets would deploy substantial combat forces to Ethiopia or South Yemen are uncertain. They have, however, demonstrated that they are ready for such a contingency. In late 1977 and early 1978 they conducted a large deployment of equipment by air to Ethiopia. Since then they have carried out exercises related to the deployment of several divisions to South Yemen.

Like the Pentagon, the Soviet general staff would have to coordinate the activities of several commands for any military operations in the Gulf area. The Indian Ocean falls under the command of the Soviet Pacific fleet, with headquarters in Vladivostok. The Gulf region (land area and airspace) is part of the Soviet southern theater of mil-

itary operations. The Pentagon's annual report says: "This theater currently has low priority for Soviet planners. Most of the developments center on the Soviet Army in Afghanistan."

Even if Soviet leaders have no current plans to deploy forces to the Gulf area, circumstances could arise that would force their hand. The most dangerous situation would be if these deployments coincided with U.S. deployments. This would not necessarily lead to a conflict between the superpowers, but the world could have its most serious crisis since Nikita Khrushchev moved missiles into Cuba.

International Herald Tribune.

## IN OUR PAGES, 75 AND 50 YEARS AGO

### 1912: French Gun Laws

PARIS — The endless series of shooting affairs in Paris recently once more has brought the question of the carrying of firearms to the front. Various proposals have been made to put an end to this dangerous practice, but, as no official action has been taken, it is still legal for gunsmiths to sell firearms to all comers. The action just brought by the tutor of a young girl named Paquerette Pascal may, however, establish a new jurisprudence as far as the civil responsibility of gunsmiths is concerned. On Dec. 3, Mme. Pascal went to a gunsmith, purchased a revolver, proceeded to her apartment and shot her husband dead in his sleep. The gunsmith must have suspected that his customer was going to make an unlawful use of the weapon she purchased, he did not try to prevent it.

## A Doghouse With Room For Bonn

By Hobart Rowen

WASHINGTON — On the economic beat here in Washington, there is a feeling things are spinning out of control. The dollar is daily worth less and less in international markets, despite the efforts of central banks to mop up surplus dollars dumped by anxious investors.

With a cheaper dollar come the threats of inflation as other currencies appreciate, of higher interest rates and, eventually, of recession.

A worrisome part of the picture is that Congress, furious over Japan's huge trade surplus, is about to shoot itself, and the country, in the foot with a protectionist trade bill. That may persuade the Japanese to pull back on their equally huge financial investments in America that have been financing the U.S. budget deficit.

There is something more: To many, an unremitting weakening of the dollar — until recently part of the policy of an administration fighting a debilitating trade deficit — may symbolize a crisis of confidence in America.

The Federal Reserve Board chairman, Paul Volcker, turns out, incidentally, to be a seer: When Treasury Secretary James Baker and the other finance ministers started the process of talking the dollar down at the famous New York meeting on Sept. 22, 1985, Mr. Volcker grumbled publicly that once the process was started, it would not be easy to stop.

Akio Morita of Sony Corp., that canny operator of businesses in Japan, Europe and the United States, said to me the other day: "You [Americans] should worry about the dollar. It is not a good sign when it goes down so far — it means that everybody's investments in America are worth less than before."

Yet the nation rushes ahead. Many economists predict that without a turnaround in the trade deficit, the dollar, having lost more than half its value against the yen and the Deutsche mark in the last two years, may fall a further 15 to 20 percent.

Suddenly, Mr. Baker and the other finance ministers are discovered to have no clothes: Their promises to coordinate their nations' policies to stabilize currencies "around current levels" are proving meaningless.

In the case of Mr. Baker and the Japanese finance minister, Kiichi Miyazawa, the reason is that they do not control the political processes in their countries. Mr. Baker cannot deliver a tax increase from his president or a budget reduction from Congress. And Mr. Miyazawa is powerless to get the votes in the Japanese parliament for a big fiscal expansion.

The German case is different. Finance Minister Gerhard Stoltenberg and his associates in the Kohl government agree completely: West Germany simply refuses the demands of the rest of the world to boost its economy. It stubbornly pursues a selfish commitment to preserve at all costs — including a global recession — its less-than-zero inflation record.

In an extremely disappointing speech in Washington, the West German economics minister, Martin Bangemann, told America on April 28 to go fly a kite. Don't talk to us about a fiscal expansion, he said.

Yet Mr. Volcker, Mr. Baker, the International Monetary Fund, the White House economic adviser, Beryl Sprinkel, the World Bank — even some top West German think tanks — know that Bonn can and should be doing more in its own interest and for global economic health.

The Germans are maddeningly self-content. Mr. Bangemann plainly was enjoying seeing Japan in the doghouse. Yet West Germany, too, has a big export-driven surplus.

A confidential staff paper produced for the meeting in Paris next week of finance ministers from the OECD countries says that West Germany must join Japan in a vigorous expansion while America cuts its budget deficit, or the huge international imbalances will not be reduced in the foreseeable future. That, in effect, is a forecast of a dollar collapse.

A key official of the Organization for Economic Cooperation and Development, discussing the staff paper by phone, said that the case for West German economic expansion is even stronger than it was a few months ago. "Japan has at least announced a new package" of stimulatory measures, "and we must wait to see how that turns out," he said.

The OECD meeting will be the last chance before the economic summit meeting next month in Venice for the finance ministers to try to restore confidence in their ability to cope with the crisis. Not much may come of it, but one result is certain: For a change, accusing fingers will be pointing toward Bonn rather than Tokyo.

The Washington Post.

### 1937: Hindenburg Toll

LAKEHURST, New Jersey — As one passenger and two members of the crew died in hospitals [May 7], the toll of the Hindenburg air tragedy stood at thirty-three. Of the dead, twelve are passengers and twenty are members of the crew. One member of the ground force was found to have perished when the flaming hulk fell upon him. Meanwhile, Secretary of Commerce Daniel C. Roper announced the personnel of the bureau's official board of inquiry, which will open hearings [May 10] to determine the cause of the explosion that reduced the world's largest airship to a mass of blazing wreckage [May 6]. As the board prepared to take up its work, charges and counter-charges of espionage echoed between Washington and Germany. It is understood the Hindenburg was insured for \$2,840,000 through a syndicate.



## OPINION

## Even a Big Story Isn't Worth Such Scuttling in the Dark

By A.M. Rosenthal

NEW YORK — I did not become a newspaperman to hide outside a politician's house trying to find out whether he was in bed with somebody. As a reporter for 20 years, I would have refused to carry out such an assignment. As an editor for 23 more years I would not have given such an assignment or allowed one to be made. I would have considered the very idea in conflict with my own journalistic standards and those of my paper. I still do.

All this is put in the first person deliberately. Journalistic decisions like the one

exactly what the relationship was. A rush job to catch the second edition. Whether or not there was sexual involvement, Mr. Hart risked his candidacy on discovery and that is a story of consequence. But because a story is important does not justify disreputable conduct in gathering it.

That is the second and more significant journalistic issue. We keep calling for openness from everybody else and we should be as open as we can in the way we gather news. We do not have to tell who our sources are, but I believe that we should not do what is repugnant to decent social conduct.

To me that means we should not masquerade—pretend we are meter-readers when we want to get into a house. Other editors disagree; at least one Pulitzer Prize has been won by a newspaper for an investigation during which staff members used false identities.

I do not believe we should pretend not to be reporters when calling for information. I do not believe we should wire our clothes and bodies to get news. That is for the police, and if journalists act like that, they are betraying their role.

And I do not believe that staking out a politician without his knowledge, lurking in the streets and cars through the night, is decent conduct for anybody except a police officer on official duty.

In part, this is simply a matter of taste. It is not to my taste to hang around somebody's house in the middle of the night to see who goes in and out. It shows a lack of self-respect, a commodity a journalist does not have to give up when he gets his press card.

It is also a matter of protection of journalism and the First Amendment, both of which have plenty of enemies as it is. If a reputable paper like The Miami Herald indulges in sneaking and snooping that its editors would never tolerate around their own homes, that is bad.

But if the rest of the press justifies it, that is worse. We are begging the nation to treat us as unworthy of respect. In time, without any question, we will lose the support of the American public in our constant struggles against those who would erode the First Amendment. We cannot claim it was designed for voyeurs.

What would have happened if The Miami Herald had refused to print the story without getting all the facts, refused to scuttle around in a way that would get a stranger tossed out of the paper's own building?

Why, it would have had to delay the story and maybe lose it to a competitor. A story that juicy would get around. The Miami Herald might have come in second.

But its editor never would have had to appear on television, nervous and a little sweaty, trying to defend what cannot be defended in the name of journalism—hiding in the dark, listening for squeaking bed springs.

The New York Times.



## On a Visa Denied, and on Those Admitted by America

Regarding the editorials "Waldheim Is Unwelcome" (April 29) and "Meese's Brave Stance" (April 30):

In the United States, as in most democratic countries, one is innocent until proven guilty. That requires producing evidence of the alleged guilt. Without the "impressive evidence" being handed over, the gesture of branding the president of Austria becomes an empty one.

Soon after the surrender of Nazi Germany in May 1945, the U.S. authorities started "rewriting" the wartime records of many scientists in order to facilitate their entry into the United States. They were admitted not as fugitives from communism, but to gain the military and scientific secrets left among the spoils of the Third Reich. Those among them who were Nazis will not be sought out, stripped of their fraudulently obtained citizenship or deported.

It is sobering and sorrowful that the United States, with its gallant role in delivering Europe from Nazi occupation, has only recently seen fit to change its policy from allowing hangers-on to Nazis to denying it to them. In the light of history, does the United States have the right to take a moral stand on this issue?

T.C.W. VAN MANEN, Wassenaar, Netherlands.

Yes, Mr. Waldheim was an officer in the German Army and denied it by saying he was a student. I do not agree with the ethics that guided this behavior. On the other hand, if he is to be condemned for knowing what was happening during the war to Jews and minorities, then the United States should not grant visas to the entire population of Germany and Austria that is over 60 years of age.

My father-in-law was interned during the war in Dachau as an object to the regime. At a certain point, when the German Army was falling, those conscientious objectors were taken out of the camps and put to use as soldiers. By this logic, he too should not be granted a visitor's visa, because he did not refuse to go to the front rather than stay in Dachau to face an uncertain end.

Franklin D. Roosevelt should also be condemned because he was well aware of the situation of the Jews before 1941 and refused permission for hundreds of Jewish immigrants to land on U.S. shores.

On the other hand, when a situation concerning visas arises in their own country, Americans adhere to the written law and no amount of argumentation will persuade them to deviate. I, as a North American, have a two-year visa to live in Salzburg, renewable as long as my husband, an Austrian, is alive and can prove

## Hooked on Money: Treatment Is Needed

By Jay B. Rohrich

NEW YORK — How much money is enough? How can people who earn more than \$1 million a year need money so badly that they are prepared to break laws to get even more?

There are obvious reasons: a craving for power, to name one. But what most of us overlook is the fact that some people actually get "hooked" on money in the same way that others become addicted to alcohol, cocaine and other drugs. An injection of money can make people feel instantly secure, victorious, strong, loved, proud and sexually attractive. Money becomes the antidote to a feeling of insufficiency.

An investment banker who was recently indicted in an insider trading scandal was said to be haunted by his father's bankruptcy even though his annual income was more than \$2 million. He gained pride and respectability through lavish spending. He also went into debt and began providing illegal information to an arbitrageur.

Others crave money to buy relationships. They inevitably pick up the check at restaurants and buy expensive gifts. Their desire to be needed and loved leads some of them to make large charitable donations. Other money addicts are hoarders, and get high on the sense of security gained from counting their riches. Competitive addicts need to make "big numbers" as a sign of masculinity, and other addicts think money makes them wiser. In "Fiddler on the Roof," Tevye said, "When you're rich, they think you know."

A nonaddict can enjoy the good feelings that come with making, accumulating and spending money, but the addiction is always tempered with the acceptance of reality's limitations. The addict, however, fights limits and may feel belittled by them. Time is a particularly upsetting restriction. Patience is often viewed as an enemy rather than an ally. I know of one wealthy executive who steals newspapers from a newsstand rather than

## MEANWHILE

wait behind the person ahead of him. Another successful but debt-ridden stock broker became so panicked and enraged when a bank officer told him his loan application had been rejected that he had to be restrained by guards and forcibly removed from the bank. His reaction was every bit as extreme as that of a heroin addict denied his fix.

Thinking in terms of money addiction rather than greed puts the problem into a clinical rather than moral framework. We must make value judgments about conduct that breaks laws and hurts others, but a clinical attitude keeps the focus on the humanity of offenders. Defining alcoholism as a disease rather than a sign of moral decadence has led to successful treatment strategies. If money addicts were seen in this light, personal and organizational tragedies could be prevented. A broker came to Wall Street hoping

that wealth could buy him the sexual confidence he had always lacked. By the age of 25, he was earning almost \$500,000 a year. The euphoric power of so much money took over as an end in itself. He experienced the "high" of wealth without any foundation under them. He spent every cent he made, and borrowed against the expectation that the earnings would never stop. When he had his first reversals, he frantically began to cheat and steal, not unlike any other desperate junkie. Once caught, he became suicidal.

He also lost hundreds of thousands of dollars for his firm. But a conspiracy of silence had surrounded this obviously troubled man as long as he was bringing the money in. This is the sad part. By the time the problem was acknowledged, it was too late to prevent a disaster.

The first step in the cure of addicts is to confront the usual denial that a problem exists. All addicts believe that they can will their habits away. It is also much easier for them to justify cravings for something that society rewards. That is what makes money addiction so dangerous. It is time to recognize it as a potentially desperate condition, and to develop treatments for it. Money addicts are a danger not only to themselves; in their self-destruction, they take loved ones and colleagues down with them.

The writer, a psychiatrist, is a partner at Harris, Rothenberg Associates, a psychological consulting firm on Wall Street. He contributed this comment to The New York Times.

## LETTERS TO THE EDITOR

that he earns a living in his native land. If he should die before I do, my visa will no longer be renewed and I will have to leave the country. Under international law, I am responsible for my two minor children, also of Austrian nationality. They may therefore also be deported.

This decision by the Austrian minister of internal affairs has been upheld twice and I am to accept it with no questions asked. Why cannot Mr. Waldheim and other Austrian politicians accept the visa decision of another country when applied to an Austrian citizen?

HELEN FLÖDERER, Salzburg, Austria.

## Concern for the Children

Regarding "The Death of a 12-Year-Old Bride" (May 4) by Blaine Harden:

It should be observed that terrible as these cases involving child brides are, the Nigerian government is seeking to eradicate such barbaric customs as speedily as possible.

At the World Health Assembly's annual meeting in Geneva in 1985, Nigeria co-sponsored with 15 other developing countries, Norway and the United States, a resolution that urged the encouragement of childbearing only when the parents are mature.

The resolution was based upon worldwide research over 12 years that had

shown that the optimal age for childbearing is 23 to 34. The resolution was adopted unanimously by the 148 member countries of the assembly.

Children, and women too, are still widely regarded as chattels for exploitation, abandonment or sale. Unfortunately, elimination of the ignorance and brutality shown in these examples is a tremendous problem. It is well understood by most of the leaders of countries where it exists. They deserve, and need, all the support for quicker action that others can give.

P. LIVINGSTONE ARMSTRONG, Fetsch, Switzerland.

Is it because the country is African, the victim "just a girl" or the custom approved by religion that citizens of the world fail to trumpet their dismay and disgust? Surely these children deserve at least the same level of concern that is given to whales and seals.

S.J. CANE, Cannes.

## Forgotten Five Million

I was amazed by the remark of Elan Steinberg, the executive director of the World Jewish Congress ("Pope Beatus Carnalis, Born a Jew, Slain by Nazis," May 2), that the beatification of Edith Stein could be interpreted as an attempt

"to appropriate the Holocaust" and "diminish the uniqueness of what happened to the Jews." The fact that almost five million non-Jews also perished in the Nazi death camps seems to have slipped his mind.

PHILIP C. BLAKE, Zurich.

## A Healthy Endorsement

Without getting into the particular debate raised in your columns a few months back on childbirth in the French way, I would like to add my two centimes to the general discussion of French hospitals.

In my opinion, which is based on experience, they can be superb. The Hôpital Saint-Louis in Paris is hidden behind 16th-century walls, and one sometimes expects François I to ride out from under the eunuch. Forget the folklore. Inside, there is a modern hospital staffed by doctors and nurses whose skills and dedication are frankly impressive. Above all, foreigners are treated with distinction.

Pierre Bérégovoy, the former social affairs minister, can be proud of what has been achieved — as can Michèle Barzach, the present health minister. ALAN TILLIER, Paris.

## GENERAL NEWS

## Illegal Aliens in U.S. and Europe Face New Restrictions

By Barry James

International Herald Tribune

Prospects for illegal immigrants are getting tougher on both sides of the Atlantic.

In the United States, the 1986 Immigration and Control Act took effect this week, enabling immigrants who have lived continuously but illegally in the country since before Jan. 1, 1982, to obtain work permits and eventual citizenship. The act will close the job market to other foreigners without work permits, however.

In Western Europe, governments are considering joint measures that will ease travel restrictions within the 12-nation European Community but impose much tougher restrictions from anyone coming from outside the bloc.

A spokesman for the European Community in Brussels said that by 1992, governments plan to remove barriers within the bloc, which has about 360 million inhabitants.

"The corollary to this," he said, "is that external ramparts will be considerably strengthened."

The new U.S. amnesty measure will affect three million to four million illegal immigrants, the Immi-

gration and Naturalization Service estimates.

But those caught outside the amnesty provisions face deportation and the closing of the job market. After June 1, employers will be liable to heavy fines if they continue to employ illegal immigrants.

The Roman Catholic Church, for one, is worried that the law will divide families in which the breadwinner arrived before the cutoff date and dependents followed later.

The law is causing concern south of the U.S. border, where unemployment is high and emigration to the United States is seen as an important economic safety valve as well as an important source of dollars.

Up to two-thirds of the estimated one million Salvadorans in the United States are there illegally. And as many as half the 900,000 Mexicans who come on the job market each year head north.

"There is great anxiety, that is understandable," President Miguel de la Madrid of Mexico said. But he said he did not anticipate "mass deportations."

Nevertheless, a stream of returning workers loaded with consumer

goods began building up at Mexican airports even before the law went into effect. Many workers said employers had dismissed them to avoid problems with U.S. immigration officials.

The certainty of tougher measures has failed to deter hundreds of illegal immigrants from going in the opposite direction. Some were caught, but the majority slipped past border officials. "We have seen nothing so far that indicates Mexicans are giving up," said a Mexican official in Tijuana.

The Canadian government, acting to stem an expected influx of illegal immigrants from the United States, announced that they would be deported immediately, without a hearing.

Immigrants, legal or otherwise, form a large part of most Western European populations. They make up nearly 7 percent in France, for example, and double that in Switzerland.

With the extension of the European Community to include Mediterranean countries that once provided a large proportion of the immigrants, attention has focused on the problem of assimilating

large numbers of newcomers from North Africa, Asia and Asia.

Interior ministers met in Brussels last month to coordinate immigration policies. Restrictive measures of the kind likely to be imposed by the community as a whole have already been adopted by a number of countries. They include stiff visa requirements, new controls at airports and fines for airlines and shipping companies that transport illegal immigrants.

In the United States, officials reported slow business at most of the 107 offices set up to process amnesty applications, probably because of widespread wariness about the

## U.S. Jury Indicts 115, Charges They Laundered Drug Profits

The Associated Press

LOS ANGELES — Three reputed top figures in the Colombian drug trade were among 58 people arrested in three cities after what officials described as the largest un-

dercover investigation in U.S. drug enforcement history.

The roundup Wednesday culminated a three-year investigation. It resulted in the indictments of 115 people, more than half of whom were arrested in Miami, New York and Los Angeles. Some had already been arrested and others were fugitives.

Undercover agents of the Drug Enforcement Administration, acting as middlemen, won the trust of the traffickers in hiding the origin of \$116 million over three years and moving it to foreign banks, officials said.

At the same time, Panama, using a new law designed to halt the laundering of drug money there, froze 54 accounts in 18 banks where drug proceeds from the operation had been deposited.

The operation was a message "to traffickers the world over that drug assets are everywhere insecure," Attorney General Edwin Meese 3d said.

One reputed leader of the drug operation, José Audi López Chacon, 37, of Bogotá, was seized as he stepped off an airliner in Miami. He had been lured from Colombia by undercover agents posing as money launderers, officials said.

They compared him to the head of the Medellín drug cartel, Pablo Obando Ochoa, a Colombian fugitive who was one of those indicted.

## Rival Nicaraguan Rebel Groups Agree to Merger

Reuters

MIAMI — Nicaraguan rebel leaders have agreed to merge the largest U.S.-backed insurgent army with rival Costa Rica-based forces in the guerrilla war against Nicaragua's leftist government, rebel officials said.

The new political and military alliance has been named the Nicaraguan Resistance.

Leaders of the rebels, known as contras, said Wednesday that the alliance called for a radical restructuring of the movement, including the unification of fighting forces into a single "national army."

A key provision of the accord was that a new seven-member civilian directorate would be granted full control of the military.

The agreement to join forces was expected to be ratified this week by a new 54-member political assembly scheduled to begin meeting Friday in Miami, rebel leaders said.

"This is a major step towards the liberation of Nicaragua and toward the respect of the civilian authority over the military," said Pedro Joaquín Chamorro Jr., director of the United Nicaraguan Opposition, at a news conference at the group's Miami offices.

Rebel leaders acknowledged that they have come under heavy pres-



Pedro Joaquín Chamorro Jr., right, announcing the formation of a rebel coalition, Nicaraguan Resistance, with the group's co-director Alfonso Robelo, Thursday in Miami.

sure to heal the divisions in their ranks or face the possible loss of U.S. congressional support. The plan brings together the United Nicaraguan Opposition,

the U.S.-backed umbrella group whose 15,000-man army is based mostly on the Honduras-Nicaragua border, and the Southern Opposition Bloc, a Costa Rica-based

group with fewer troops but a stronger democratic image.

The agreement came after months of negotiations between the two rival organizations.

## EUROPEAN TOPICS



Women in Hundwil, Switzerland, watch as male residents vote in local elections. The town is in Appenzel, the only canton that still refuses to grant women voting rights.

## Swiss Canton to Study Suffrage for Women

The men of Appenzel, Switzerland's only remaining canton in which women are not allowed to vote, may have to accept women's suffrage, although not this year.

Last month, male residents voted on local issues as they have for centuries, raising their hands in the town squares of the German-speaking mountain canton in eastern Switzerland. But local officials, faced with the growing protests of Appenzel's women, plan to form a committee of about 20 men and women to study women's suffrage. The study is expected to last about two years, and officials say it is unlikely women will be voting before the early 1990s.

Although Swiss women won the right to vote in national elections in 1971, it was left up to the country's 26 cantons to grant women a say in local affairs. Appenzel is the only canton where men still refuse to do so. They have rejected the idea four times in the last 12 years.

With the pressure growing, some men in Appenzel contend that the town squares are too small for assemblies of both men and women, and that the women's colorful dress clashes with the sobriety of the voting ceremony.

## Britain Drops Project For Toxic Waste Sites

In a surprise move, the British government has abandoned plans for dumping low-level nuclear waste in shallow trenches in rural England and called off test drilling at four potential sites around the country.

Opposition politicians, while welcoming the decision, said the Conservative government of Prime Minister Margaret Thatcher made the move only to "save itself electoral embarrassment" in local elections this week. All four potential dumping sites were located in Conservative Party constituencies.

Nicholas Ridley, the secretary of state for the environment, said the project had been dropped because a recent study indicated that there was no significant difference in cost between burying low-level radioactive waste in shallow sites and developing a deep cavern for dumping both low- and intermediate-level waste.

According to the report by the Nuclear Industry Radioactive Waste Executive, public opposition had driven up the estimated cost of waste disposal in shallow sites by forcing the authorities to do extensive surveys and produce more expensive engineering solutions. The cost was estimated at £160 million to £200 million (\$268 million to \$336 mil-

lion) over the next 50 years, about the same as the cost of a deep depository. Mr. Ridley said a deep site would be more than 300 meters (980 feet) below ground or under the sea bed.

## Around Europe

Oberammergau, West Germany, will change the script of its famous passion play before the next performance in 1990, according to Klemens Fend, mayor of the Bavarian town. The play, in which residents re-enact the crucifixion and resurrection of Christ, has been staged in Oberammergau since 1634. But the 19th-century script now used has been criticized often as anti-Semitic. The text has been altered several times since 1970, but American Jewish leaders said the changes were not sufficient. Mr. Fend said a revised version would be presented to the Anti-Defamation League of B'nai B'rith and to the German Catholic Bishops' Conference. The play is performed every 10 years.

Tourists should pay to watch proceedings at Britain's House of Commons, according to Peter Bruinvels, a conservative member of Parliament. He said the chamber's often raucous debates are "the greatest show on earth" and well worth an admission fee.

—SVTSKE LOOLEN



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# TRAVEL

International Herald Tribune

## TRAVELER'S CHOICE

### Daffodil Replenishment

There has always been a lively debate as to precisely where the wandering William Wordsworth spotted his "host of golden daffodils," but the vision is to be recreated by the National Trust at Gowbarrow in the Lake District of England, near where the poet lived and wrote. Thousands of wild daffodil bulbs are to be planted to help replace those eaten by sheep and picked by tourists, the Trust said.

### Stradivari Month in Cremona



The city of Cremona will mark the 250th anniversary of Antonio Stradivari's death this year with a month of concerts by some of the world's most celebrated violinists playing Stradivari instruments. Italian violinist Salvatore Accardo will play in an unusual performance of Vivaldi's "Four Seasons" in which all the stringed instruments, not just those of the soloists, will be Stradivari — considered the finest ever made. Other musicians to take part in 12 concerts between Aug. 26 and Sept. 28 include Pinchas Zukerman, Yo Yo Ma, Cho Liang Lin, Henryk Szeryng, Anne Sophie Mutter, Gideon Kremer and Carlo Maria Giulini.

Collectors and musicians from all over the world have agreed to lend violins and other Stradivari instruments for an exhibition. Stradivari, born in 1644, produced about 1,200 violins, violas, cellos, guitars, mandolins and lutes during his life, and about 650 of them still exist, according to historians.

The city also will offer an exhibition of scores and music books of the period, and international conferences and workshops on Stradivari, his music and his time — plus the problems of restoring antique instruments.

Anthony Quinn and three of his sons will act in an Italian film on the violin-maker's life, to be shot partly in Cremona; there will be records, a catalogue of Stradivari's instruments, commemorative medals and stamps. (UPI)

### New Tracks for Cyclists

Tom Sheehan of Off the Deep End Travels, of Jackson, Wyoming, is one of a growing number of tour organizers offering bicycling adventures on almost every continent. Self-described as a "hardcore omnibourgeois," Sheehan and his partner were determined to find new and different pedaling places, and now list cycling itineraries that include Japan, the Fiji Islands and Tahiti.

David Moez of Bellevue, Washington, a former Peace Corps volunteer in Africa, established Bicycle Africa four years ago and personally leads a series of five annual tours to East and West Africa. Open Road Bicycle Tours of Haymarket, Virginia, is leading cycling groups to China, where the bicycle is still a vital daily form of transportation. American Youth Hostels takes cyclists of any age to New Zealand.

Here is a selection of some of the unusual cycling trips:

• **Japan:** A 15-day look at Old Japan in a route that moves generally north from Osaka to the Buddhist center of Nikko outside Tokyo. Departure: Oct. 4. Price: \$1,475 per person, which includes lodging and two meals a day. Air fare to Japan is additional. Trips also available to Tahiti and Fiji. Off the Deep End Travels, P.O. Box 7511, Jackson, Wyoming. 83001-9971, (800) 223-6833.

• **Papua New Guinea:** As far as Tom Sheehan of Off the Deep End Travels knows, the three-week Papua New Guinea adventure is a first for bicycling and is open to strong cyclists only. From the capital city of Port Moresby, the group will head inland "up dirt roads, then jungle tracks and finally alpine hiking trails" to cross the Wharman Mountains. Mountain bicycles with wide, knobby tires and special gears are essential.

Returning to more conventional roads, the second leg of the trip will explore the scenic, and more populated, highlands of the country. These accommodations will be in hotels. Departure for the full trip: July 29. The land cost is \$1,050 per person. Air fare to Papua New Guinea is extra. Deep End is considering similar expeditions to Thailand and Indonesia in 1988.

• **West Africa:** A two-week and a four-week trip are offered this year on an itinerary — depending on the tour — that visits Liberia, the Ivory Coast (see photograph), Ghana, Togo and Benin. There is a strong emphasis on meeting local people and learning the history and culture of the region.

Departure for the 15-day trip is Nov. 21, and the inclusive land price is \$700. Departure for the 30-day trip is Dec. 19, and the land price is \$1,050. On both trips, air fare to Togo is additional. Bicycle Africa, International Bicycle Fund, 4247 135th Place Southeast, Bellevue, Washington, 98006, (206) 746-1028.



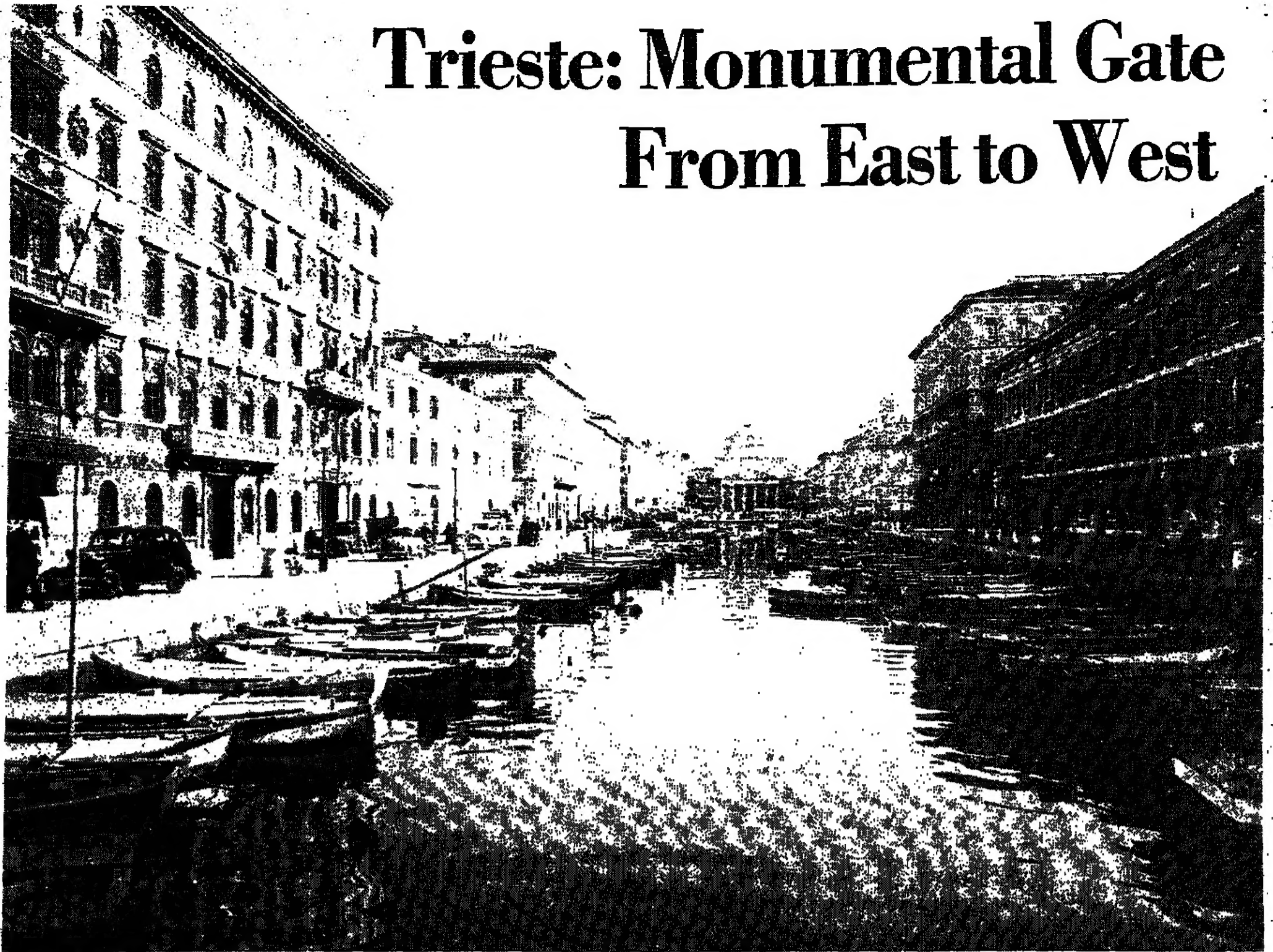
• **China:** The two 25-day itineraries offered by Open Road enter China via Beijing and exit at Hong Kong. Both feature accommodations in guest houses and Western-style hotels with private baths. Because China is such a large country, some traveling within its borders is done by plane, train and bus. But there is also plenty of village-to-village cycling.

The "Yangtze Valley Adventurer" is a first-timer's overview of China. Stops include Xian, site of the army of terra-cotta warriors; Suzhou, the famed City of Gardens; and cosmopolitan Shanghai. Departure: Sept. 18. The land cost is \$2,250 per person.

The "South China Explorer" focusses on the southwestern Chinese province of Yunnan, where cyclists will take rides "out into the countryside to visit pagodas, lakes or local communes." The tour visits Guilin, famous for its limestone pillars and mountains that have been the subject of Chinese paintings for centuries. Departure: Oct. 16. The land cost is \$2,490 per person. Air fare to China is additional. Open Roads Bicycle Tours Ltd., 1601 Summit Drive, Haymarket, Virginia, 22069, Tel. (703) 754-4152.

For information about other tours and tour organizers, send for a copy of the "1987 Tour Finder," a guide to more than 100 bicycling outfitters offering trips in the United States and abroad. Enclose a check or money order for \$3 made out to Bicycle USA at 6707 Whitestone Road, Suite 209, Baltimore, Maryland, 21207. (WFP)

## Trieste: Monumental Gate From East to West



Trieste's Grand Canal, only three blocks long, leads from the sea to the church of Sant'Antonio, with Serbian orthodox church to the right.

by Alan Levy

TRIESTE, Italy — The Balkans begin at Trieste. And while James Joyce, who wrote the first chapter of "Ulysses" at Via Bramante 4 in 1914, and Giuseppe Verdi, who composed and conducted an early opera, "Stiffelio," for its premiere in 1850 in what is now the Teatro Verdi, could cough at the congestion and cacophony of today's traffic, they might still relish the noble incongruity of a monumental Hapsburg city set on a sparkling Adriatic waterfront. Here north Italian bustle and Slovenian modesty do business together and, lately, at least, live in peace.

A stepchild of Italy deposited by history on the doorstep of Yugoslavia, Trieste — just off the main route between Venice and Vienna — is still standing tall as a Central Europe southern seaport. Israeli fruit, Middle Eastern and African coffee enter Europe here; Italian trucks are shipped out to Greece and Turkey. In Verdi's and Joyce's times, Trieste was the gateway from West to East; now it's the East's doorway to the West, as day trippers from Yugoslavia through the markets outside the railroad station and along the Piazza Ponterosso on the Grand Canal, snatching up blue jeans and auto parts.

A tradition of tolerance has served Trieste well throughout its turbulent history, which includes 537 years as part and port of Austria. Emperor Franz Joseph seemed less stern and austere when he's called Franco Giuseppe. Trieste's Grand Canal (only three blocks long) is crowned by the Roman Catholic Church of Sant'Antonio, which looks like a Greek temple, but is dominated by the five blue Byzantine domes of the Serbian Orthodox Church along the side. Around the corner, showing an unimposing Italian neoclassic face to the port, is a large Greek Orthodox Church glittering with icons framed in gold and silver. Trieste claims to be the only city in Italy with a Moslem cemetery. Its synagogue — built in 1912 in Assyrian-Babylonian style with two rose windows encircling the Star of David — holds 5,000, though the Jewish community now numbers 600.

Despite the traffic outside, "Trieste today is an immensely livable city," says a guide, Giovanni Paolotti. "With a population of a quarter of a million, it has the services and cultural life of a city of a million." Regular tour-bus departures, however, are not among Trieste's services; instead, one contacts the Guides Association at the Stazione Marittima, Molo Bersaglieri 3, as much in advance as possible. A licensed guide in any language for one to 20 persons will cost a total of 60,000 lire (about \$46) for half a day or 85,000 for a full day, not including admissions, transport and meals.

Trieste's wealth and grandeur can best be viewed during business hours by tiptoeing into the ornate palace headquarters of insurance companies such as that of RAS at

Piazza della Repubblica 1, with its mosaic, stucco, and gilded ceilings, or the powerful palace of the Lloyd Triestino shipping line on the city's waterfront parade ground and main square, Piazza Unità. Just going to the main post office on Piazza Vittorio Veneto to buy a stamp involves climbing a grand staircase and trying not to stumble while gazing up at a tinted glass ceiling. The harbor hotel where Verdi rested between bouts with "Stiffelio" is now a bank.

A quality of life from more prosperous times persists. Merchants' houses — each with a wide doorway to allow delivery of goods to a ground-floor shop or warehouse while the family lived above on the piano nobile (principal story) — are now divided into flats and offices, but the scale stays large even if the dimensions dwindle. On the second floor of Via San Nicolò 30, where James Joyce and Nora Barnacle rented rooms with a Jewish family until their son Giorgio was born in 1905, the apartment remains divided — into Body Club and a dental lab.

Joyce spent 10 years in Trieste, where he taught English for Berlitz. One of his pupils was a local businessman named Ettore Schmitz, who wrote psychological novels — most notable, "The Confessions of Zeno" — under the name of Italo Svevo. His fiction — introspective, narcissistic, witty, and virtually unknown until championed by Joyce — influenced his tutor immensely. "In Italian, at least, Svevo invented the interior monologue, which Joyce brought to fruition in 'Ulysses,'" says Gerald Parks, an American poet teaching at the University of Trieste. "And parts of 'Ulysses' and 'Finnegans Wake' are written in the local dialect, Triestino. Joyce also made contact with psychoanalysis in Trieste, which was the first place in Italy where Freud's ideas took hold."

LONG before Svevo and Joyce — or, for that matter, Rilke, who wrote his favorite verses, "Duineser Elegien," in the castle of Duino just outside the city, and Stendhal, who came here as French consul in 1830 — Trieste was ahead of its times. It was already known as Tergeste, (from the Sanskrit word *terg*, meaning market) in 177 B.C. when Roman legions conquered a fierce people called the Isturi, who took little time to assimilate and prosper as Romans. In 33 B.C., Tergeste was fortified as a walled city; thenceforth its oldest landmark, Riccardo's Arch, has served as gateway to the Old City. Nobody knows who Riccardo was.

From Roman times, Trieste still has its Capitoline hill, a forum, and an amphitheater built Greek style into the hill of San Giusto rather than a walled entry in Roman tradition. This quarter is called Rena, derived from Arena, though no Christians battled lions here. Christianity came in 394, when the Roman Emperor of the East, Theodosius the Great, a Christian, defeated the pagan barbarian legions of the Roman Emperor of the

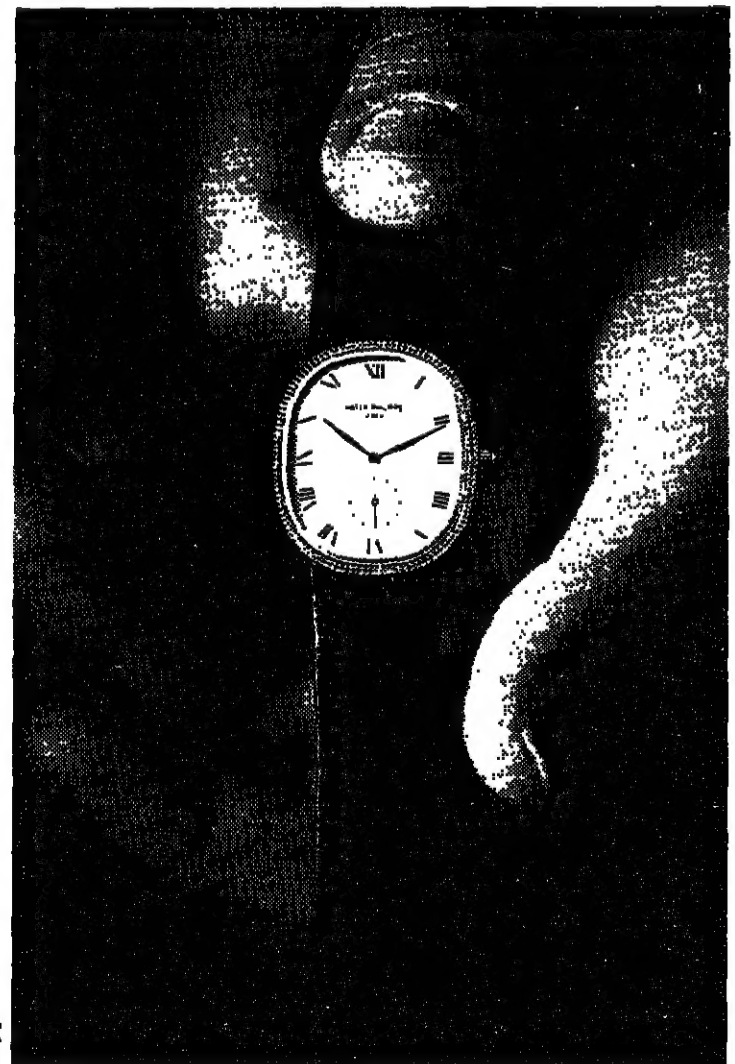
Continued on page 8

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## TRAVEL

## THE FREQUENT TRAVELER

Bargains in Rental Cars  
Abound in Buyers' Market

by Roger Collis

If you think that value for money in air travel bears no relation to how much you pay, take a look at car rental. Competition has made it a buyer's market, yet even savvy travelers fail to drive a bargain. This is not a matter of price alone. You may be more concerned with service, quality and convenience. It's more a matter of deciding what you want and figuring out the best deal before you hit the rental desk. I learned a lesson when I rented a car from Hertz at Heathrow on a "time and mileage" rate. I was not aware that after two days the entire rental became chargeable at an unlimited mileage rate—vastly more expensive as I was mainly using the car on short trips in London. I was angry with the bill. "You'd

Figuring the best  
deal before you  
reach the desk

have been just as angry with Avis," says Andrew James, director of marketing for Avis in England. "You have to know which product you want in advance. If you had wanted a car for one day but for a long distance—the reverse of the case that you've described—you could have taken our unlimited mileage 'one day-one day' tariff."

Renting a car from one of the firms with a desk inside the airport terminal is convenient but can cost you up to 50 percent more than renting from the same firm's downtown office or one of the so-called "off-airport" firms a short ride away by courtesy bus.

If price were the only factor, firms like Avis and Hertz would rapidly end up at the bottom of the heap. What also counts is the number of locations, being able to rent a car in Paris and dropping it off in Munich; ties in with frequent flier bonus programs and other links with airlines and hotel chains; a wide choice of cars, from a Ford Fiesta to a top of the line Mercedes; and high-tech frills such as self-service rental and return.

The big-name firms are turning to high-tech in an attempt to avoid price wars in what has largely become a commodity market. For example, frequent travelers can phone in a number which allows the rental agreement to be printed out in advance. All you need to show is your driving license. Avis has introduced a fully automatic system in some locations. Simply by inserting your charge card into a computer terminal before your flight leaves, you can check your reservation, choose the car you want and get a printout showing where it is in the parking lot. Returning the car is just as easy. You

punch in the vehicle number, mileage and fuel gauge reading into the terminal and receive a detailed record of the trip's location. Hertz offers computerized driving instructions in eight languages at all major European airports and rents portable cellular phones to "business car" customers. Avis goes one better for its customers in Britain by offering a phone free: you only pay for the calls. And so it goes.

What irritates many people who rent cars is finding that the price has just about doubled when all those extras are added up—collision damage waiver (this can vary from 7 to 20 percent depending on the firm and the country), personal accident insurance and local taxes (for example, 15 percent in England, 25 percent in Belgium and 33 percent in France). Many firms market a business package with unlimited mileage and no hidden extras (VAT is sometimes quoted separately). For example, Budget has a Business Traveler Program at most major cities in Europe, the Middle East and Africa; Europcar Plus is available in Europe and the Middle East for top of the range cars; Hertz has its Business Class tariff with a free "rent it here, leave it there" service at major cities in Europe on rentals of more than 48 hours, discounts with certain hotels and the chance to participate in "Passport to Leisure," a bonus points program with free rentals throughout Western Europe, and Avis has a European Business Class (minimum one-day rental for "Group C" cars—such as a Ford Sierra—and upwards. One of the best deals is a tariff designed for tourists, Avis's Super Value, a kind of APEX, which offers unlimited mileage and can save you up to 30 percent off Avis's standard rate. The minimum rental is three days and it must be reserved seven days in advance.)

Inclusive rates like these can save you money, especially if you're driving long distances. The snags are that you must pre-book (up to one hour before rental with Avis and Hertz) and you may not be able to get a discount.

Few seasoned travelers pay the walk-in or "rack-rate" when they rent a car. Discounts come from many quarters; if you're a member of the International Airline Passengers Association, you can claim a discount of up to 20 percent at Hertz and National/Europcar/Tilden, up to 25 percent at Avis and 10 percent at Thrifty. British Airways Executive Club members get 20 percent off at Avis. SAS offers first and business class passengers (which means everyone who has paid the full economy fare) a special deal with Hertz in 42 cities as part of SAS's Destination Service. This can save you from 11 to 60 percent off the basic tariff. Car rentals can count for up to 1,000 miles in frequent flier programs. You may get a good deal through your travel agent as a corporate discount or as part of a fly-drive arrangement. But most pundits advise dealing direct with a car rental company.

## SHOPPING

Fine Linen  
And Old  
Lace

by Terry Trucco

LONDON — Stephen Lunn, a London antiques dealer, holds up a big linen sheet, old and worn. Not long ago it might have wound up in a trash heap. But for a small, ardent following, this old sheet is a treasure. Its appeal lies in the soft, smooth feel that crisp new linen lacks. Renewed interest in antique textiles has birthed its popularity—and its price.

That same interest has spawned a new audience for antique lace, another elegant linen product. European lace has its roots in the 16th century, and there's a vast array from which to choose. Late 19th-century collars, flounces and frills are readily available, but a surprising number of early handmade pieces have also survived. And though prices have risen during the last decade, it is still fairly easy to find good buys. "It's the practical, everyday linens that people seem to want," said Lunn. "With lace, the supply exceeds the demand."

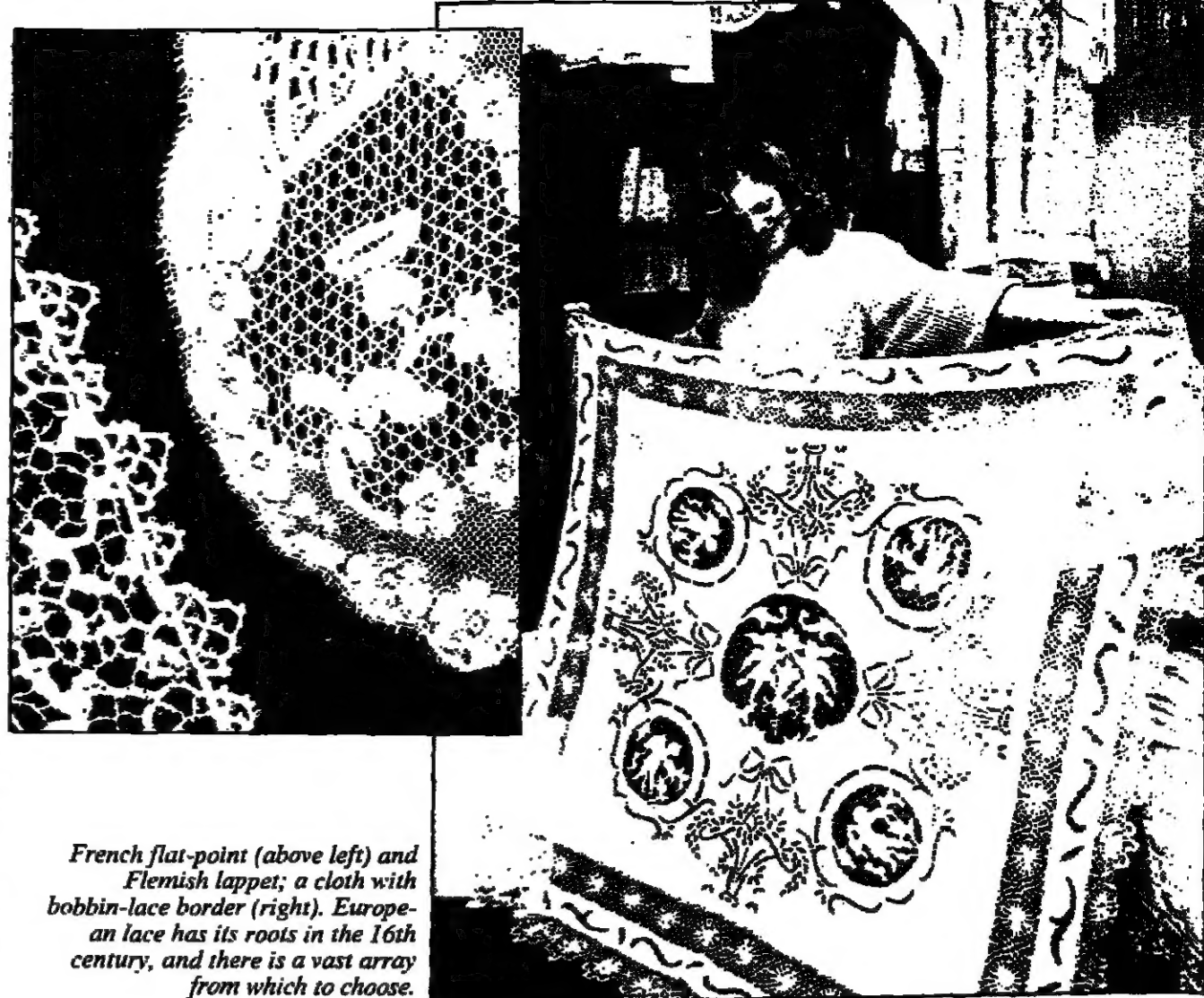
Lunn's shop, on New King's Road, is one of the biggest and most exciting. Lace-trimmed linens, shirts and dresses hang from the rafters like stalactites.

Another dealer, Audrey Field, manages to cram a splendid antique lace selection into the tiniest stall imaginable at Alfie's Antique Mart near Edgware Road. Lace covers the deep green walls, offering a crash course in styles, origins and dates. There's just enough room for a couple of chairs and large lace-filled bureaus, each drawer stuffed with a different era's frills. Yet in nine years, Field's modest ground-floor booth has become an objective for lace collectors from all over the world.

Like many antiques dealers, Lunn is fascinated by what he sells and loves to talk about it. "Linen this strong can even go in the washing machine," Lunn exclaims, holding a 1920s Cyprus linen tablecloth with 12 napkins, each decorated with lace. The set sells for around \$400. Yet a large 17th-century Italian star cloth, handwoven and bedecked with lace, is half the price. "The problem is what do you do with it?" Lunn sighed.

History is part of the appeal of both antique linens and lace. Linen, made from flax, is one of the world's oldest textile fibers. For centuries, wealthy Europeans have slept on linen sheets, the very ones, in some cases, that are so popular now, particularly the lace-decorated Victorian examples.

Antique linen's distinct texture is due to the finer thread produced in earlier times; these finer threads form a more densely



French flat-point (above left) and Flemish lappet; a cloth with bobbin-lace border (right). European lace has its roots in the 16th century, and there is a vast array from which to choose.

woven cloth than contemporary thread. Repeated washings also alter the texture. A look through Lunn's magnifying glass shows a big difference between a 19th-century sheet, which looks thick and tightly woven, and a new one, which appears thinner and looser. Washing also changes linen's texture by removing a micromolecular layer from each fiber. Over the years, the fibers grow thinner and softer. Between 15 and 20 washings should soften up new linens.

Those who intend to use antique linens must make certain the sheets are still durable. Folding a soft English sheet with the date 1726 embroidered in a corner, Lunn noted that it would probably rip if it were used. Like other pre-Industrial Revolution linens, this was handwoven and has a distinctive seam where it was sewn to fit a bed (\$450 for two sheets and two pillowcases). But a 19th-century French lace-garnished sheet set (about \$450) straight out of Proust still has plenty of wear left. Linen sheets from the 1930s and '40s cost around \$150, while new ones retail at \$350 and up. Most have been bleached white, though some are creamy beige, linen's natural color. (Collectors who sleep only on linen often invest in a

special stand-up roller iron for around \$900. But some maintain that drying the sheets in the breeze is sufficient.) Lunn also has a large stock of linen garments, including men's shirts, women's nightgowns, lady blouses and camisoles (from around \$30). But most intriguing are his linen sampler shirts, doll-size high-necked embroidered tops (\$30 to \$150) sewn by novice Victorian seamstresses. Like linens, the lace that are most in demand are those that can be used, whether for clothing or home decoration. Sifting through a drawer, Field selected several examples of lace to be worn — 19th-century Brussels collars, machine-made Edwardian pieces, and Irish lace and crochets. Pretty and popular, they begin at around \$40.

Designers of bridal and evening wear also make regular pilgrimages to lace shops looking for one-of-a-kind flounces and hand-made veils. "A young bride in Canada wrote and asked me to select a veil for her wedding," said Field, who has a large stock of 19th-century bridal veils fashioned from machine-made net and hand appliqué (from \$180). She also has plenty of 19th-century lace wraps and shawls (\$60 to \$110).

The more zealous lace collectors seek out 17th-century Venetian lace, 18th-century French lace and similar examples, "like a stamp collection," said Field. That impractical aspect has kept prices low for the old, rare pieces. Among the most sought-after collectibles are 18th-century lappets, long decorative strands that were hung from the hair (\$600 upwards).

Yet once for once, lace was once costlier than gold, and the wealthy flaunted their lace like jewels. One 17th-century French nobleman complained, "I have spent nearly 4,000 livres on adorning myself, my wife, my daughter and her children, and in my opinion I have never spent money so uselessly." Baroque lace makers in France, Belgium and Italy produced laces of extraordinary delicacy and intricacy, employing scores of women for starvation wages. In her excellent history "Lace," Santina Levy, a curator at London's Victoria and Albert Museum, uses well-known paintings of Europe's aristocracy to illustrate different styles and uses of lace.

"There's not much more you can do with fine old lace, but it is too old and rare to cut up and wear," said Field. "And it has survived all these years."

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## Trieste

Continued from page 7

West, Eugenius, in the rocky reaches of Trieste.

That epic struggle — in which Theodosius rallied his troops after a devastating first day with the cry of "Where is the God of Theodosius?" — went into the history books as the Battle of the Bora — the bora being a raging wind that influenced the outcome and now, nearly 16 centuries later, remains a winter peril in Trieste. Whistling through town from east and northeast at 80 to 100 kilometers (50 to 60 miles) per hour, it sneaks up like a small tornado, depressing the temperature by as much as 10 degrees Centigrade (18 Fahrenheit). When the bora blows, Trieste laces its streets with ropes pedestrians can cling to

and, when the wind is at its fiercest, port activity ceases (on an average of three to five days per winter).

Between boras, the port brought Trieste prosperity and the city stayed Christian through onslaughts by Attila the Hun in 453 and the Lombards in 568. Parts of the sandstone cathedral atop San Giusto hill date back to the fifth century, though the adjacent fortified castle wasn't built until the 14th through 17th centuries. By the 12th century, the city had evolved into an independent commune — on land only, for rich and powerful Venice, across the gulf, ruled the waters of the Adriatic, seizing Trieste's ships and plundering its salt trade. In 1382, Trieste took the drastic step of pledging allegiance to the Duke of Austria, Leopold III, and placing itself under his protection while preserving its administrative freedom.

Despite a one-year occupation by Venice and a brief annexation by Spain in the 16th century, not to mention three Napoleonic occupations between 1797 and 1813, Trieste's embrace of the Hapsburgs was one of history's more lasting unions. With the expansion of oceanic trade in the centuries after an Italian sailing under the Spanish flag discovered America in 1492, the mercantile-minded Hapsburg emperor, Karl VI, in 1719 decreed Trieste a free port through which goods could transit — and, in the next century, a half, Trieste's population swelled from 4,000 to 180,000. In 1869, when the opening of the Suez Canal made it the entry point for goods from the Orient, Trieste rivaled Marseille as Europe's leading seaport.

Like a jewel in the Hapsburgs' crown of thorns, Trieste's true wonder perches atop a rocky promontory seven kilometers from the city. The castle of Miramare, a white



Castello di Miramare.

wedding cake of Istrian limestone, was built by that improbable Hapsburg emperor, Maximilian of Mexico, who sailed from here to Vera Cruz in 1864, never to return. Here, his Belgian bride Charlotte retreated in 1866 — her mind destroyed by battling her head against stone walls in Paris, Vienna, and the Vatican as she tried to save her embattled husband from defeat and the Mexican firing squad that executed him in Queretaro in 1867.

As a young sailor who rose to rear admiral and supreme commander of the imperial Austrian navy by the age of 22, Archduke Maximilian, younger brother of Emperor Franz Joseph, had made his headquarters in Trieste for four years when, late in 1855, the bora blew his fishing boat into a secluded cove. Above it was where he planned and planted Miramare with a 25-hectare (62-acre) park containing formal Italian gardens, California redwoods, a giant sequoia, Monterey cypresses, incense cedars, and a Mexican digger pine from shrubs and seeds sent back from his travels.

He and Charlotte, later known as Carlotta, moved into their castle on Christmas of 1860, when the ground floor was ready. In 1863, when a delegation of banished Mexican landowners visited Miramare to offer Maximilian the crown of Mexico, he received them in Charlotte's bedroom because the upstairs still wasn't ready. "Tempted by glory, he took their bait, though he would say later: 'The last thing I wish to be is emperor. All I ask from life is a beautiful castle with a spacious garden overlooking a beach.'"

Miramare means "to see the sea" and virtually all of its 22 rooms open to the public today (out of 80).

afford spectacular views of the Adriatic outside — often through hues of tinted Bohemian (not Venetian) glass. A state museum since 1955, Miramare is open year round. In July and August, there are Sunday-afternoon strolling chamber concerts in the park and, three nights a week, a Sound and Light show called "Miramare's Imperial Dream," only Tuesday night's first show is in English, with the voices of John Stride and June Tobin as Maximilian and Charlotte.

Unlike its royal family, Trieste thrived throughout the 19th century and into the 20th, but, with Italian irredentism seeking to "redeem" it for Italy and with the Hapsburg twilight that began at Mayerling in 1889, it went into eclipse and was Balkanized after both World Wars. Ceded to Italy in 1919, the city and province of Trieste became a Balkan backwater of Mussolini's "corporative state." Annexed by the Third Reich after Italy surrendered to the Allies in 1943, it endured nearly two years of German occupation and then, at the end of the war in Europe, 40 days of terror from Yugoslav partisans, who buried thousands of Italians alive as fascists in caves called *foibe* that are still visible as mass graves on the outskirts of the town. Liberated by New Zealand troops in June 1945 and then under Anglo-American military occupation, it existed from 1947 to 1954 as the "Free Territory of Trieste."

In a compromise negotiated under international auspices, Italy regained Trieste, but Yugoslavia took the Istrian Peninsula below it. Thus in the 20th century, Austria lost its seaport and Trieste lost its hinterlands — but not its character.

Alan Levy is a writer based in Vienna.

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## TRAVEL

# Celebration of the Conqueror

by Erik de Maunay

**C**AEN, France — In the Calvados region of Normandy, with Caen at its center, lavish preparations are being made to commemorate the 900th anniversary of the death of William, Duke of Normandy, better known as William the Conqueror.

It is fitting that Caen should be the focal point of the ceremonies, since it is here, under his recently restored tombstone in the choir of the Abbey aux Hommes, that William lies buried. Or rather, all that survives of him, which is one femur in a lead casket, the rest of his remains having been dug up and scattered during the wars of religion and the French Revolution. William built the Abbey aux Hommes, now the parish church of Saint Etienne, in penance for having married his fourth cousin, Matilda of Flanders. Matilda is commemorated in the Abbey aux Dames, on the other side of the city, and has a role of honor in the current festivities.

Ceremonies are also taking place at Falaise, where William was born, and Bayeux, where the celebrated tapestry, commissioned by William's half-brother, the warrior-bishop Odo, vividly depicts the events leading up to the Norman conquest of England.

In Caen, May has been dedicated to William and Matilda. On May 15, in the large open space inside the walls of the chateau, 200 young people in period costumes will reenact, with songs and dances, the major events of William's reign. The next day, the festive mood will spread even wider, when giant effigies of William and Matilda will be carried from their respective abbeys to meet under the walls of the chateau, where a medieval banquet, complete with troubadours, jugglers and fire-eaters, will be staged in the evening. On May 17, the two towering effigies will be paraded through the city at

the head of a three-hour procession of giant figures, including the huckster, Harold, and the sinister poisoner, Mabile de Belme. They will be accompanied by horsemen, clowns, decorated floats and several bands, one coming specially from Sydney.

The idea of creating carnival figures several times larger than life has been borrowed from Douai in French Flanders, where they have featured in annual processions for many years past.

The massive plaster heads will surmount tall framework bodies made of welded metal reinforcing rods covered with latitudes and wickerwork. The dominant figure, William, will stand nearly 25 feet (7.5 meters) tall, carrying a hooded falcon on his wrist. Four men will be needed to carry each of the effigies in procession.

At the other end of the scale, two local artists, Alain Letort and Luc Marie, are creating a multitude of small, two-dimensional power figures — 400 in all — for a triptych which will eventually adorn the altar of Matilda's church, the Abbey aux Dames. It began when they discovered, in old books and manuscripts, details of an almost-forgotten technique known as *plat d'ain*. This consists of casting flat power figures in molds cut into blocks of a special hard slate which has to be imported from Thuringia, in East Germany, the only place in Europe where it is found. It is a difficult technique, and, Alain Letort said, one which he and his partner had virtually reinvented, since the instructions given in old manuals proved inadequate and confusing. It takes an average of 15 hours to cut the six small molds in each rectangular block of slate with engraving tools, and after being cast, the tiny figures — court ladies, priests and peasants — have to be painted in authentic colors. From mid-May through August, in St. George's Church inside the chateau wall,

there will be an exhibition on Norman fortresses from William the Conqueror to Richard Lion-Heart, showing 11th and 12th-century military architecture in all the territories covered by the Norman expansion. In the second half of September, the annual Caen Fair will act as host to the English County of Devon, which is twinned with the Calvados district, with jousting and medieval games to recall the tournaments of William's time. Sept. 3-9 historians from both countries will be attending a conference on Anglo-Norman history and civilization, and Oct. 2-4 there will be a congress on medieval archaeology.

All these activities are merely a setting for the main event. The ceremony to mark the 900th anniversary of William's death will take place in the Abbey aux Hommes on Wednesday, Sept. 9, in the presence of the Prince and Princess of Wales (Prince Charles is a descendant of William).

Why is so much effort being expended on this anniversary? Of course, civic pride and the need to attract the maximum number of visitors comes into it. But it is perhaps also worth recalling the circumstances of William's death and burial 900 years ago. He was wounded at the battle of Mantes when his horse stumbled and he was thrown forward, impaling himself on the pommel of his saddle. From the battlefield, he was transported to Rouen, where he died in agony. According to the early chronicles, his body was desecrated, and by the time his body was finally brought to Caen for burial, it was in an advanced stage of decomposition. Is it fanciful to conjecture that, by ordering such a lavish panoply of commemorative ceremonies, Caen is making atonement for that earlier dereliction?

Erik de Maunay is a former BBC correspondent covering France, the Soviet Union and the United States. He now lives in Normandy.



William's tombstone (left); impressions of William and Matilda (right); and Caen castle (below).

## Italian Genius in Mussolini's Utopia That Never Was

By David Willey

**R**OME — In Rome, there's still time to see an unusual exhibition — of plans and sketches for a world's fair that never took place. Code-named E42, the fair was to have been the climax of celebrations marking the 20th anniversary of fascist rule in Italy, which began with the march on Rome in 1922.

The exhibition, a modest affair, rather portentously entitled "Utopia and the Scenario of the Regime," is taking place under government sponsorship at Eur, a satellite city of Rome which grew up after the fall of fascism on the site of the aborted world's fair. The sketches and photographs are on display in one of the original fair buildings, which now houses Italy's national archives.

Fifty years after some of Italy's most talented architects, artists and intellectuals submitted their ideas for Mussolini's fair,

modestly entitled "The Olympiad of Civilizations," political taboos about fascism still hang in the air. Two generations of Italians have been brought up to believe that fascist art is bad art.

But what immediately strikes the visitor is the high quality of much of the planning for the buildings for the fair. A 1,000-acre site between Rome and the sea was chosen and cleared in preparation for E42. Twenty miles of roads were built, gardens were landscaped, 14 major buildings arose from their foundations before the project ground to a halt because of the war.

The seven-story Palace of Italian Civilization, one of the few completed buildings, is still the first city landmark glimpsed by the traveler arriving on his way in to Rome from the airport. It was planned to house a gilded equestrian statue of Il Duce.

At first, the plans for E42 sound like so many other 20th-century examples of ideologically inspired art. Yet the closer you examine the projects, the more it becomes

apparent that E42 would have been something more than mere glorification of the regime. It was a coherent attempt to put on show before the world the genius of Italy. The plans both set a style and reflected new ideas, dramatically ahead of their age.

For example, one of the key exhibition buildings was to have been a 4,500-seat cinema, the largest in the world in the 1940s. A graceful aluminum triumphal arch, its base points planted a third of a mile apart, was to have soared over the exhibition. There was to be a big amusement park. — Mussolini's version of Disneyland.

From the town-planning point of view, the E42 project was revolutionary for Rome, a city that for centuries had developed inside the walls built by the 3d-century emperor, Aurelian, to keep out invaders.

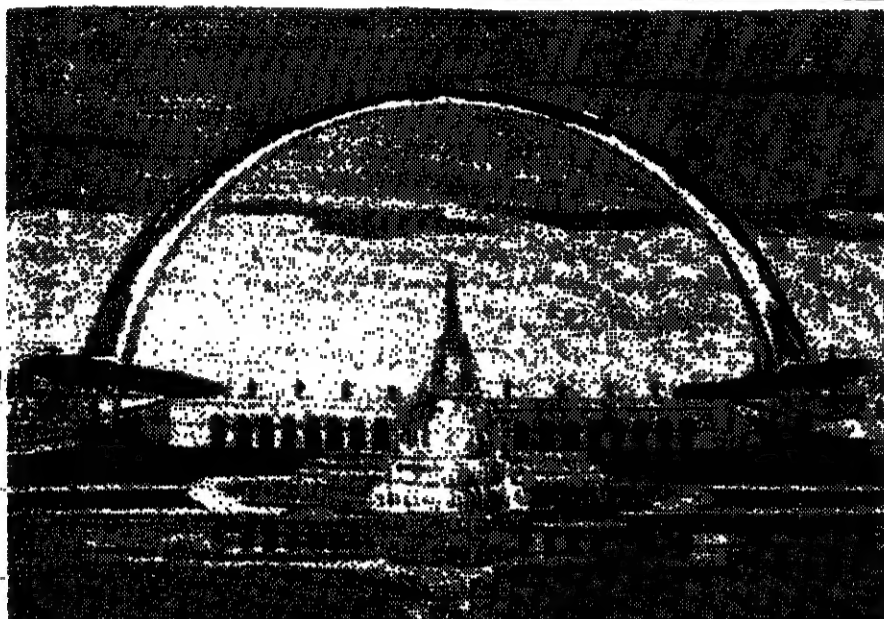
The exhibition has attracted widespread coverage in the Italian press, radio and TV, not all of it favorable. But as Paolo Portoghesi, one of Italy's leading contemporary architects, points out in his catalogue note, the

relationship between the city of Rome and its satellite city at Eur has been "like a complicated family affair, involving conflicting emotions of love, hope, hate and scorn, followed by renewed hope, mixed this time with a sort of guilt complex."

Portoghesi concludes that it is futile to confuse culture with politics. "Would we judge Michelangelo on the basis of the politics of his patron Pope Julius II, or Pinturicchio on the basis of the misdeeds of Pope Alexander VI?" he asks.

Late 20th-century Rome has become a sprawling mess. An estimated one million buildings have gone up around the city since Mussolini's regime fell without any planning permission at all. High-rise blocks have fortunately been avoided and the skyline inside the city walls of Rome is intact. But a glimpse at Mussolini's imaginary city does provide food for reflection in A.D. 1987. ■

David Willey is a BBC correspondent in Rome.



The proposed triumphal arch.

## FOOD

## The Struggle for the Third Star

by Victor de la Serna

**M**ADRID — It has taken so long and against what seemed such odds, that Zalcain's third Michelin star, awarded last month by the renowned and feared French guidebook, takes on an air of vindication for the rest of Madrid restaurant. This is the first time a third star has been awarded in Spain, and it comes after restaurants in five other European nations have been so honored. It has been a protracted and uphill struggle, not just for Zalcain, but for Spain's often maligned cuisine.

Although pre-Civil War Michelin guides generously awarded stars throughout Spain, none was given in more recent times until 1974. A year earlier, a company spokesman had justified the absence of stars in its Spanish edition with a statement that stirred widespread protests in Spain's gastronomic circles. "There are very good Spanish restaurants, no doubt," the spokesman said. "But the Spanish way of cooking is different. If we were to award stars, the tourists would expect to find what they will not find."

Jesus Maria Oyarbide, a former merchant marine officer and gastronomic turned restaurateur, did not share that view. In 1974 — after successful ventures in his native Navarre and in Madrid — he opened his luxurious but sedate Zalcain with a clear goal in mind: to elevate it to three-star status. From the start, his chef was Benjamin Urdain, who had left Navarre at 13 to work in various kitchens in southwest France, then at the Plaza-Ateneo in Paris.

Thus, the award to Zalcain did not go to one of those self-employed chefs of the new generation, but to a team venture headed by a restaurateur in the same mold as Jean-Claude Vinat of Taillevent or René Lasserre, in Paris. Oyarbide, 57, gives this description of his relationship to Urdain, 48, and of the Zalcain operation: "I inspire the dishes, Benjamin interprets them and my wife, Chelo, gives final approval."

His chef, Oyarbide says, "is a remarkable technician with a great gift for delicacy." That apparently involves more than cooking techniques — the shy Urdain is famous for never shouting at a staff of 68. The Zalcain cooks, part of a staff of 68. The Zalcain kitchen is a calm, spotless place where everyone works in silence and seems to know exactly what he has to do.

The Zalcain style "aspires to be high cuisine but always with a Spanish accent, with an effort to update and lighten our own traditions," according to Oyarbide. "I also believe that taste is decisive. With this great passion for presentation in France, I have been served some beautiful but totally tasteless dishes, and that's absurd."

Spanish food writers have stressed that it was a distinctively Spanish restaurant that was a distinctively Spanish restaurant for a while. Michelin chose to honor years of favoring those serving unadorned French cuisine. This should encourage others who endeavor to modernize Spain's cookery, often devalued — in France, particularly — as demeaned — in Madrid's El Amolito and ensamble. (Indeed, Madrid's Ramirez combines paro, where chef Ramon Ramirez combines French and Spanish trends in a decidedly



Benjamin Urdain (left), and Jesus Maria Oyarbide at Zalcain.

modern fashion, has just received a second star.) But is Michelin really convinced that Spanish cooking is not really second-rate? Some reports indicate that it took a large number of readers' letters to convince its editors to finally elevate Zalcain.

Curiously, some of the latest French fashions have Spanish roots, although the French are wary of admitting it. These go from the use of saffron to that of the escabeche technique for marinades.

Oyarbide says he is "rather amused" by

Some of the latest French fashions have Spanish roots, although the French are wary of admitting it.

the number of coulis or sauces on *poisson* (bell pepper) to be found in France now. That is a distinctively Spanish influence.

A decade ago, one of the first Zalcain creations to attract widespread acclaim was fresh salmon with a green bell pepper sauce. The idea was derived from the old Basque fishermen's stew, *marmiteira*, made of fresh tuna and bell peppers. Such study of and improvement on Spanish dishes has been a hallmark of Zalcain. So has been the use of Spanish raw materials, from humble but delicious Navarrese vegetables, such as the

sensational peeled broad beans, to a smooth goose foie gras made on a Madrid area farm.

Dishes don't stay forever on the Zalcain menu — the latest version of salmon is one with dill and broad bean sauce. A delightfully spiced duck sausage with mixed salad was introduced recently. Other current offerings include a stew of langoustines (the delicate, pink-and-white striped Mediterranean shrimp) in Basque cider; lake steamed with basil on a bed of chard purée; lamb kidneys roasted in their own fat, with *pisito*, Spain's pipera.

When President François Mitterrand was Prime Minister Felipe Gonzalez's guest at last month's French-Spanish summit meeting in Madrid, Zalcain was asked to serve the state dinner at Moncloa Palace. The menu: cold Navarrese asparagus cream, scallops with Galician albarino wine, stuffed cabbage with goose and truffles, and a pistachio ice cream with fresh oranges and strawberries and a bitter chocolate sauce.

The great red wines from Rioja and the Douro valley, the fast improving whites from Galicia and Catalonia are duly represented in the fine Zalcain cellar. And, although not exactly cheap, this is probably the least expensive of the 27 three-star restaurants throughout Europe.

Zalcain, Alvarez de Baena 4, Madrid. Phone (34-1) 261 10 79. Closed Saturday lunch and all day Sunday, the week before Easter and in August. Average price per diner is 8,000 to 10,000 pesetas (\$63 to \$80). Credit cards: American Express, Diner's.

Victor de la Serna is an editor with the newspaper El Pais in Madrid.

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**100th CENTENNIAL**



NYSE Most Actives				
Symbol	Vol.	High	Low	Chg.
IBM	1,200,000	165.00	164.00	+1.00
AT&T	1,100,000	100.00	99.00	+1.00
GE	1,000,000	45.00	44.00	+1.00
Merck	800,000	110.00	109.00	+1.00
Amgen	700,000	120.00	119.00	+1.00
Boeing	600,000	100.00	99.00	+1.00
Johnson & Johnson	500,000	100.00	99.00	+1.00
McDonald's	400,000	100.00	99.00	+1.00
Wendy's	300,000	100.00	99.00	+1.00
Verity	200,000	100.00	99.00	+1.00

Market Sales	
NYSE 3 a.m. volume	18,070,000
NYSE prev. close	2,332.53
NYSE 3 a.m. volume	1,110,000
NYSE prev. close	174,000,000

NYSE Index				
High	Low	Close	Prev.	Chg.
165.74	164.74	165.00	164.00	+1.00
100.00	99.00	100.00	99.00	+1.00
45.00	44.00	45.00	44.00	+1.00
110.00	109.00	110.00	109.00	+1.00

Thursdays NYSE Closing	
Composite	165.74
Industrials	100.00
Utilities	45.00
Finance	110.00

AMEX Diary	
Advanced	100.00
Declined	99.00
Unchanged	100.00
Total Issues	100.00

NASDAQ Index	
Prev. Today	100.00
Week Ago	100.00
Year Ago	100.00

AMEX Most Actives	
Vol.	High Low Last Chg.
1,200,000	165.00 164.00 165.00 +1.00
1,100,000	100.00 99.00 100.00 +1.00
1,000,000	45.00 44.00 45.00 +1.00

Dow Jones Bond Averages	
Bonds	100.00
Utilities	99.00
Industrials	100.00

NYSE Diary	
Advanced	100.00
Declined	99.00
Unchanged	100.00
Total Issues	100.00

Odd-Lot Trading in N.Y.	
Buy	100.00
Sell	99.00
Total	100.00

Dow Jones Averages	
Open	100.00
High	99.00
Low	100.00
Last	100.00
Chg.	100.00

Standard & Poor's Index	
High	100.00
Low	99.00
Close	100.00
Prev.	99.00

Previous NASDAQ Diary	
Advanced	100.00
Declined	99.00
Unchanged	100.00
Total Issues	100.00

AMEX Stock Index	
High	100.00
Low	99.00
Close	100.00
Prev.	99.00

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

## Dow Eases on Auction Jitters

**NEW YORK** — Prices on the New York Stock Exchange eased Thursday as nervous traders awaited the outcome of the last stage of the Treasury's quarterly financing.

At 3 P.M., the Dow Jones industrial average was down 9.66 points to 2,332.53. Gaining stocks roughly matched the number declining. Volume totaled 185.10 million shares, up from 164.76 million in the same period Wednesday.

The Treasury was winding up its refunding Thursday with the sale of \$9.25 billion in 30-year bonds. Many analysts regard the auction as pivotal for the U.S. interest-rate outlook.

Although most U.S. stock market tables in this edition are from the 4 P.M. close in New York, for three reasons, this article is based on the market at 3 P.M.

If buyers — in particular, Japanese investors — bid for the bonds in force, observers believe, it might signal a stabilizing dollar in foreign exchanges and relief from the recent upward pressure on interest rates.

But a generally lackluster response to sales of three-year and 10-year notes Tuesday and Wednesday raised some doubts about the attractiveness of U.S. dollar securities, even at recently higher yields.

Hugh Johnson, head of the investment policy committee at First Albany Corp., said that the market was dominated by this nervousness.

Mr. Johnson said that the financial markets have been "slugging their way through" this week's Treasury auctions, but that once the bond sales are out of the way, stocks might be able to move higher.

"It was a day totally spent waiting to get results of the auction," agreed A.J. Goldman, a stock market strategist at A.G. Edwards & Sons in St. Louis.

Mr. Goldman said that futures-related selling pressured the market, which mostly ignored rising bond prices. He contended that the market had enough steam to move the Dow up to just under the 2,400-level, but he said that the "one-note" focus on the Treasury auctions Thursday indicated that investors lacked conviction that the market will move higher.

Noting Thursday's heavy trading volume, Mr. Goldman observed, "There's a lot of noise but little action."

The NYSE's composite index of all its listed common stocks lost 0.33 point to 166.14, while on the American Stock Exchange, the market value index was up 0.95 point at 332.00.

Navistar International was the most active NYSE-listed issue, up 1/4 to 8. Shearson Lehman followed, trading at 34 in an initial public offering.

Among other oil stocks, Phillips Petroleum, Amerasia Hess, Schlumberger, Occidental Petroleum, Exxon, Chevron and Baker Hughes were all ahead.

Semiconductor issues were weaker after falling Wednesday when a Merrill Lynch analyst, Thomas Kurik, downgraded them. Texas Instruments was down 5/8 to 184 1/4 after falling 7/8 Wednesday. National Semiconductor was down 1/2 to 13 1/2 after slipping 3/4 Wednesday.

On the Amex, active issues included AT&E Corp. and Wang Laboratories class B, both lower, and Dome Petroleum, which was unchanged.

(AP, UPI)

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	A	
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12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	B	
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12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	D	
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## BUSINESS ROUNDUP

## Rolls-Royce Offer Is Oversubscribed

Compiled by Our Staff From Dispatches  
LONDON — More than 1.25 million people applied for the British government's share issue of Rolls-Royce Ltd. before the offer closed Thursday, Geoffrey Partie, the minister for information technology, said.

A half-mile line formed outside the main accepting bank in London as investors rushed to beat a 10 A.M. deadline for the public offer of 800 million shares. A spokesman for the underwriting group said that the offer was heavily oversubscribed.

The shares were priced at 170 pence each (\$2.85), valuing the aircraft engine company at £1.36 billion (\$2.3 billion). Investors can pay for their allotment in two installments, and the shares are expected to rise considerably when trading on the London Stock Exchange begins on May 19.

"It gets off to a flying start," Sir Francis Tomb, the company chairman, said.

Officials said that sorting of applications would continue through the weekend. The company then will decide how to administer provisions under which the general public and staff will receive more shares than originally allocated.

The government had said that 60 percent of the shares would be allocated to institutional investors, 10 percent to employees and the rest to the public. But if the public offering were more than twice oversubscribed, the public's allotment would increase to 40 percent and the institutional allotment would be reduced to 50 percent.

The government took steps to insure that Rolls-Royce, a major military contractor, remains under British control. No shares were sold abroad and foreigners were barred from buying more than 15 percent of the total. No single shareholder will be allowed to own more than 10 percent.

The government also said it was retaining a "special share" to allow it to veto any takeover.

The Conservative government has already returned more than 40 percent of the state-run industrial sector to private hands. Share offerings have included British Petroleum, the natural gas monopoly, British Telecom, the telecommunications giant, and British Airways.

The proportion of the British public that owns shares has climbed from 7 percent in 1979, when Prime Minister Margaret Thatcher came to power, to about 19 percent now.

Rolls-Royce was rescued from collapse by the government in 1971. At the same time, Rolls-Royce Motors Ltd., the luxury car maker, was split off into a separate company.

Since the rescue, Rolls-Royce has returned to profitability. It reported a record pretax profit of £120 million last year, up 48 percent from £81 million in 1985.

(Reuters, AP)

Beatrice Cos. to Split in 2:  
One Public and One Private

New York Times Service

CHICAGO — Beatrice Cos., a year after becoming privately owned in one of the largest leveraged buyouts, will go public again. Beatrice plans to split in two, offering a consumer products company to the public and keeping its food company private, according to company and industry officials.

In a transaction completed in April 1986, Donald P. Kelly, Beatrice's chairman and chief executive, and the New York investment firm of Kohlberg, Kravis, Roberts & Co. paid \$6.2 billion for Beatrice. Mr. Kelly has sold more than \$3.4 billion of the company's assets, including a Coca-Cola bottling company, Avis car rentals and Playtex International. Still, the company has \$4.32 billion in long-term debt, according to a recent filing with the Securities and Exchange Commission. Proceeds of the public offering are expected to be used for debt incurred in the buyout.

Mr. Kelly would direct the consumer products business, which includes Samsonite luggage, Culligan water-treatment equipment and Jensen loudspeakers. A company official said that the new concern would be named Esmark International Inc.

The food company, as yet unnamed, is expected to be headed by Frederick B. Reutcher, Beatrice's president and chief operating officer. Its brands include Tropicana orange juice and Peter Pan peanut butter.

Alfa Group Near Settlement  
With Foreign Bank Creditors

Reuters

MEXICO CITY — Grupo Industrial Alfa SA, the Mexican steel and petrochemical group, is in the final stages of a debt restructuring in which foreign bank creditors will take a 45 percent stake in the holding company, Alfa has announced.

Shareholders met last week and approved the agreement, which covers \$943 million in foreign debt. The group's total debt is \$2.7 billion.

The Monterrey-based company reached agreement with its foreign bank committee on the plan in December, and so far 94 percent of creditors have accepted, a company spokesman said Wednesday.

The agreement also allows for foreign creditors to receive \$200 million in government paper, carrying the same terms, 13 1/2 percent over the London interbank offered rate for 20 years, as those agreed to in October, in the most recent restructuring of public-sector debt.

In addition, creditors will receive \$25 million in cash.

The capitalization plan was submitted to shareholders with the understanding that it would not become effective until all creditors had accepted. The spokesman said that the process had been lengthy because of the time needed by many banks to endorse the plan and he could not predict when all acceptances would be in.

The exchange rate for the capitalization plan will not be set until it is ratified, he said.

The company was founded in 1974 around Hylsa, Mexico's largest privately owned steel company, and Titan Carton Co., a paper and packaging maker. It grew more than 50 percent a year through 1980, diversifying into tourism, real estate, communications, consumer appliances and petrochemicals.

But in 1981, imports and tight credit slashed earnings and led to a \$234 million loss. The company suspended debt principal payments in April 1982 after a 40 percent devaluation of the peso.

## Lloyds Chief Warns on Trade, Debt

By Arthur Hughes

International Herald Tribune

The victory that has been won over inflation is in danger of being undermined by world trade imbalances and international debt problems, says Sir Jeremy Morse, chairman of Lloyds Bank PLC.

"We have decisively turned back inflation and the inflation expectations of the 1970s," Sir Jeremy said Wednesday at an annual dinner in New York of the Institute of Foreign Bankers. "But we are in severe danger of losing the peace."

Sir Jeremy said he was disappointed that recent international monetary meetings had not produced a commitment to fiscal restraint in the United States and more stimulative policies in Japan and West Germany.

He said that ministerial talks next week at the Paris-based Organization for Economic Cooperation and Development and the economic summit meeting in Venice in June would be the last opportunity for major countries to establish that they are going to work together, and to convince financial markets of their resolve.

Sharon Steel Corp.'s chief operating officer, Walter Stockman, has resigned, citing differences with Victor Posner, the Florida financier who controls Sharon. Mr. Stockman, 55, had worked for Mr. Posner for 20 years at various Posner-owned companies. Sharon recently filed for protection from creditors under Chapter 11 of the Federal Bankruptcy Code.

"There are some differences of opinion," Mr. Stockman said. "His opinion counts. He's the boss." He refused to say whether the disagreements were connected with the bankruptcy reorganization.

Sharon, the 12th-largest U.S. steelmaker, is based in Farrell, Pennsylvania.

Nationale-Nederlanden N.V., established at Delft; Nationale-Nederlanden Finance Corporation (Curacao) N.V., established at Willemstad (Curacao).

The annual reports of the above companies for the financial year 1986 and for Nationale-Nederlanden Finance Corporation (Curacao) N.V. also the report of the Trustee are available free of charge to holders of debentures and mortgage bonds respectively at the office of the first mentioned company at 64 Minervalaan, 1077 PE Amsterdam, The Netherlands.

Hoesch Profit Declines 32%;  
Write-Downs, Dollar Cited

Reuters

DORTMUND, West Germany — Hoesch AG's group net profit fell 32 percent last year to 270.5 million Deutsche marks (\$152 million at current rates), the company said Thursday.

The figure compares with a group net of 395.4 million in 1985. Hero Brahms, a management board member, said that the iron and steel company had faced particular burdens last year, including major stock write-downs, mainly because of the lower value of the dollar.

Provisions for planned reductions in personnel had cost the group 150 million DM in 1986 and provisions for repayment of government aid another 50 million DM. These measures affected steel results particularly, he added.

Mr. Brahms said that the steel subsidiary, Hoesch Stahl AG, had returned to profit in the first quarter after sliding into the red in the

last three months of 1986. He said that Hoesch Stahl had reported no profit for last year as a whole.

The group does not publish earnings figures for steel, and Mr. Brahms declined to give a comparison for Hoesch Stahl's 1985 results.

Hoesch's annual report said that tighter import restrictions in the United States and a drop in the purchasing power of oil- and commodities-producing countries at a time of worldwide overcapacity had exerted enormous pressure on steel prices.

The drop in prices as well as lower volume were largely responsible for a 13.6 percent fall in steel revenue to 3.67 billion DM in 1986.

Parent company net profit rose 9.2 percent to 308.8 million DM from 282.9 million in 1985, with sales falling 16 percent to 2.21 billion DM from 2.63 billion.

Mr. Brahms said that revenue fell about 8 to 9 percent in the first 1987 quarter from a year earlier.

## Canadian Mine Merger Is Seen as a Defense

Reuters

TORONTO — The proposed merger of Dome Mines Ltd., Campbell Red Lake Mines Ltd. and Placer Development Ltd. may have been partly motivated by a desire to guard against takeovers, some mining analysts say.

The three Canadian gold producers announced Wednesday that they had agreed in principle to merge through a stock swap valued at about 5.4 billion Canadian dollars (\$4.03 billion). The merger would create North America's biggest gold mining company and one of the world's most important gold producers.

Takeover speculation recently has focused on both Dome Mines of Toronto, Canada's largest gold producer, and Placer of Vancouver, which has extensive gold, silver and energy interests worldwide. Dome Mines owns 57 percent of Campbell Red Lake.

"The bigger the company, the more expensive to take over," said Vay Jonyans, a mining analyst with Moss Lawson & Co.

Dome Mines' major shareholder, debt-laden Dome Petroleum Ltd., had said previously that it wanted to sell its 21.5 percent stake. Mr. Jonyans said rumors had arisen that Noranda Inc. was interested in bidding for the stake.

"Some people might think it might be a protection against Noranda," he said.

John Long, a gold analyst with Maison Placements Canada Inc., said, "Dome and Placer were both looking over their shoulders and now they can both look straight ahead."

The three companies' combined 1986 gold production totaled about 825,000 ounces.

Placer shareholders would own about 45 percent of the new company, Dome Mines 37 percent and Campbell Red Lake the rest.

The agreement is subject to a definitive agreement, approval by the three companies' shareholders and regulatory approval.

Dome Mines earned 71.6 million Canadian dollars in 1986 on revenue of 293 million dollars, while Campbell Red Lake earned 29.1 million dollars on revenue of 187.7 million. Placer's 1986 net profit was 70.3 million dollars on revenue of 435.8 million.

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Volvo's Stake  
In Pharmacia  
Grows to 43%

Reuters

STOCKHOLM — Volvo AB, the Swedish automaker, boosted its interest in the biotechnology industry Thursday by enlarging its stake in Pharmacia AB from 31 percent to 43 percent.

Analysts valued Volvo's purchase of 1.59 million shares in the Swedish pharmaceuticals company at about 250 million kronor (\$40.3 million).

Analysts said that the transaction suggested that Volvo still saw an advantage in building a major role for itself in the pharmaceutical industry despite the collapse last year of plans to link with Fermenta AB, another Swedish biotechnology group.

Volvo canceled the plan after it was revealed that Refael el-Sayed, Fermenta's founder, had lied about his academic training. Fermenta later was expelled from the Stockholm bourse after auditors found irregularities in profit forecasts.

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## Random to Acquire 3 U.K. Publishers

Reuters

LONDON — The American publisher Random House has agreed to take over three of Britain's prestige literary imprints, Chatto & Windus, The Bodley Head, and Jonathan Cape, the British companies announced Thursday.

The takeover for an undisclosed sum is the latest in a series that has swept through the once-staid British publishing world in recent years. The acquisitions have angered some prominent authors as Graham Greene, who believes that writers are being given short shrift in the process.

Random House, which comprises Alfred A. Knopf, Pantheon, Villard, Times Books, Vintage, The Modern Library and the paperback

group Ballantine-Del Rey-Fawcett, has agreed to acquire more than 75 percent of the British companies' shares and would seek to merge the remainder, said Graham Greene, nephew of the novelist and chairman of the three British firms.

Other authors published by the British imprints include John Fowles, Gabriel Garcia Marquez, Patrick White, Nadine Gordimer and Alexander Solzhenitsyn.

"We are combining forces to make what I believe will be a formidable world English-language publishing group," Mr. Greene said.

He said that the takeover was unrelated to a threat last month by his novelist uncle to leave The Bodley Head, his publisher for a quarter of a century, if administrative changes were not made.

## COMPANY NOTES

Bank of Montreal Capital Markets is making its debut as a lead manager in the Eurobond market with a 60 million Canadian dollar (\$45 million) bond for the City of Montreal. The noncallable bond matures on June 25, 1992, pays 10 percent and is priced at 101 1/4. It is available in denominations of 1,000 and 10,000 Canadian dollars.

Boliden AB, the Swedish mining and metals company, said it had sold its stake in Volvo AB, amounting to 1.8 percent of the voting rights, to the investment company Custax AB for 240 million kronor (\$39 million).

Dunlop France SA, a subsidiary of Japan's Sumitomo Rubber Industries Ltd., will produce belts, rollers and other rubber parts for photocopiers. The subsidiary will invest about 100 million yen (\$720,000) to start production at its plant in Amiens, north of Paris.

Klöckner-Humboldt-Deutz AG, the maker of engines and industrial machinery, announced that the dividend for 1986 would be 4.5 Deutsche marks (\$2.50) a share, half of the 9 DM dividend for 1985.

Metalgesellschaft AG plans to group one-third of its main foreign mining interests under a new Canadian holding company and to float the company on the Toronto Stock Exchange under the name Metall Mining Corp., which will have an estimated market capitalization of \$84.6 million Canadian dollars (\$287 million).

Mitsui Osk Lines Ltd. said it had signed a 20-year contract with Indonesia's national oil company, Pertamina, to transport liquefied natural gas to Taiwan.

Nissio Iwai Corp., Mitsubishi Heavy Industries Ltd., and Nippon

Shokubai Kagaku Kogyo Co. have won a plant order worth 12 billion yen (\$86 million) from Technashipmart, a Soviet import concern. The plant, designed to produce acrylic solvent for adhesive and paints, will be finished by 1990.

Ing. C. Olivetti SpA said that its subsidiary Syntax SpA would become a holding company grouping Olivetti's software units. Syntax will change its name to Generali di Sviluppo Servizio e Sistemi Software SpA. Syntax currently has controlling interests in 7 companies and minority stakes in 12 others in the software sector.

Ricoh Co. of Japan will stop supplying computer workstations to Convergent Technologies Inc. of the United States this fall because of the yen's increase in value against the dollar. Monthly shipments of workstations marketed by Convergent in the United States had peaked at more than 2,000, but have fallen to about 150.

Saab-Scania AB is expected to show a decline in profit this year, the company president, Georg Karlsson, said at the annual meeting. Group pretax earnings for 1987 are forecast at 2.9 billion kronor (\$467 million), compared with 3.32 billion in 1986. He said car sales in the United States were being affected by the weaker dollar.

Sony Corp.'s parent company current profit is expected to be around 36 billion yen (\$258.8 million) in the year ending March 31, 1988, if the yen/dollar rate remains at current levels, a spokesman said. Profits were 36.45 billion yen in the last full fiscal year, which ended Oct. 31. Sony has changed its financial year to end on March 31.

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Dr. V. M. Dwivedi

D.Litt., D.Sc., World's leading expert in Rasayana—health- and longevity-promoting Ayurvedic preparations; Chancellor, Maharishi Vedic University, Washington, D.C., U.S.A.; Chief Minister of Health and Immortality, World Government of the Age of Enlightenment, Seelburg, Switzerland.



Dr. B. D. Triguna

Ayurveda Marand, World's leading expert in diagnosing any forthcoming or existing disorder or disease just by feeling the pulse; Chancellor, Maharishi Vedic University, Europe; Member, Indian Council for Research in Ayurveda, Government of India; President, All-India Ayurveda Congress.



Dr. Balraj Maharshi

World's leading expert in Dravyaguna—the identification and utilization of medicinal plants; Adviser on Ayurveda to the Government of Andhra Pradesh, India.







## CURRENCY MARKETS

## Dollar Advances in N.Y., Europe

Compiled by Our Staff From Dispatches

**NEW YORK** — The dollar advanced sharply Thursday, but the gains were trimmed by the close in New York when anticipated strong Japanese bidding on the U.S. Treasury's 30-year bond auction apparently did not materialize.

The 30-year bond is the critical sale? one bond trader said. "That is the traditional favorite of the Japanese and other foreign investors and determines if foreigners will continue to invest here despite the weaker dollar."

In New York, the dollar closed at 1.7790 Deutsche marks, up from 1.7675 at Wednesday's close; at 139.20 yen, up from 138.85; at 93.15 Swiss francs, up from 92.15; and at 1.4608 Swiss francs, up from 1.4510.

The British pound also closed lower against the dollar at \$1.6785, compared with \$1.6870.

The final, and critical, leg of the Treasury's three-day, \$29 billion refunding auction — \$9.25 billion of 30-year bonds — was sold Thursday at an average yield of 8.76 percent.

Earlier in the day, however, the bond was trading on the when-

## London Dollar Rates

Currency	Thu.	Wed.
Deutsche mark	1.7790	1.7675
Swiss franc	93.15	92.15
Japanese yen	139.20	138.85
French franc	166.00	165.00
Italian lire	2,360.00	2,350.00

Source: Reuters

issued market at 8.62 percent, the equivalent of more than 1 point in price above the actual yield 8.76 percent yield. The yield had risen to 8.69 percent late in the day.

Dealers attributed the dollar's early rise to the lower bond yield, which signaled to the market that Japanese investors were bidding well on the auction.

The first two sales — \$10 billion of three-year notes Tuesday and \$9.75 billion of 10-year notes Wednesday — were relatively weak and had intensified concerns that Japanese investors, who bought one-third of last quarter's 30-year bond offering, would stay away this time because of the weak dollar.

The dollar had firmed earlier in Europe, supported by short-covering before the bond auction.

The dollar rose in London to 1.7782 DM marks from 1.7715 at Wednesday's close, and to 139.35 yen from 139.05. The British pound fell to \$1.6790 from \$1.6870 against the dollar.

Steadfast remained mostly steady in Europe after opening down, as buyers saw the early lows as a cheap buying opportunity, dealers said. However, they added that nervousness about the outcome of Thursday's local election curbed buying interest.

On its trade-weighted index, the pound closed at 73.6 percent of its 1975 value against a basket of currencies, 0.1 point lower than Wednesday's close.

Dealers said it appeared that the Bank of England had not sold sterling Thursday, unlike Wednesday when it was reported to be actively holding the pound down.

In other European trading, the dollar was fixed in Frankfurt at 1.7738 DM, down from 1.7769, and in Paris at 93.18 French francs, down from 93.85.

It closed in Zurich at 1.4620 Swiss francs, up from 1.4567.

(UPI, Reuters)

## Bank of Japan Buys Bills to Lower Rates

Agence France-Press

**TOKYO** — The Bank of Japan, the country's central bank, bought commercial bills Thursday worth 400 billion yen (\$2.87 billion) in an effort to guide short-term interest rates downward, financial sources said.

The move fulfills the pledge made last week by Prime Minister Yasuhiro Nakasone of Japan when he told President Ronald Reagan in Washington that Japan would try to push short-term interest rates lower.

The two leaders thus hope to help boost Japan's domestic demand for foreign goods and, in conjunction with a rise in U.S. interest rates, stabilize the yen-dollar exchange rate.

In providing liquidity to the money market, the bank bought two-month bills with an interest rate of 3.81 percent, the sources said. It reportedly bought certificates of deposit totaling 100 billion yen Wednesday.

## USX: Steelmaker Is Leaner, but Rivals and Labor Troubles Cloud Its Future

(Continued from first finance page)

tradition USX can afford to keep. "There is a basic flaw in the way they relate to their employees," said John H. Kirkwood, the former vice president of labor relations at Jones & Laughlin Steel Corp., which is now called LTV Steel. "How are you going to realize the projected savings from new equipment when the people who work on that equipment don't have the incentive to make it happen?"

For their part, USX's leaders insist that the years of staggering losses and problems of competing against foreign steelmakers are nearing an end. By next year, they say, the company will be highly profitable, and foreign steelmakers will be worrying about competing with USX.

"Over the next year or so we're going to see some very substantial improvement," said Thomas C. Graham, president of USS, the steel subsidiary of USX. "The period of turnaround actually has already started."

Mr. Graham has his share of believers on Wall Street. USX's losses in steel are expected to total as much as \$200 million this year, largely because of the shutdown. But some analysts predict that the steel business, and the company as a whole, will be solidly profitable in 1988.

George J. Gaspar, an analyst at Robert W. Baird & Co. in Milwaukee, believes that the steel unit will make a respectable \$250 million to \$360 million next year. Two-thirds of USX's business is in oil and gas, and with the oil price now stable, Mr. Gaspar looks for USX to earn at least \$650 million in 1988.

USX is clearly far leaner now than it was before the shutdown began in August.

Since the end of the labor dispute, the company has closed about 35 percent of its 36 million tons a year of steelmaking capacity. Provisions in its new contract with the United Steelworkers allow USX to hire outsiders to do maintenance and other jobs traditionally performed by more highly paid union workers.

And thanks largely to big investments in new equipment — more than \$500 million in the last two years — USX has dramatically improved its productivity. While it took the company 10 man-hours to produce a ton of steel in 1983, it takes only four now. That is significant.

## Seoul Opens a Model Mill

Compiled by Our Staff From Dispatches

**SEOUL** — South Korea's government-run Pohang Iron and Steel Co. opened an ultramodern integrated steel mill Thursday, boosting the country's steel-making capacity to 17.5 million metric tons (19.25 short tons), the seventh-largest among Western nations.

Just two years ago, before launching its controversial plan to expand the steel industry, Pohang ranked 15th in capacity.

"The new mill is the most advanced steel plant in the world," a company spokesman said. "We can produce steel at lower prices than anyone else."

The mill at Kwangyang, on the south coast, uses continuous casting and robots for an annual capacity of 2.7 million tons. It cost \$1.95 billion, and the company plans to build two similar mills, one also at Kwangyang, by 1991.

South Korea is now 85 percent self-sufficient in meeting demand for steel from its car, machinery, shipbuilding and construction industries.

In response to criticism that the new plants would add to overcapacity in the steel industry worldwide, officials said that domestic demand would grow 10 to 15 percent annually, outstripping production.

(AP, Reuters)

cantly below the six-hour average for the American steel industry.

"When you look at all of the American steelmakers, USS is at a point now where they come the closest" to the Japanese in efficiency, said Charles A. Bradford, an analyst at Merrill Lynch & Co.

Finally, steel prices have been rising. The price of one key product

from the market during the labor

dispute was a key reason why steel prices rose. Anticipating a battle for market share once USX returned, many customers refrained from buying steel.

Since then, the pent-up demand has kept American steelmakers busy and prices firm. But with steel consumption expected to rise only

hem Steel Corp. to seek bankruptcy protection, enabling it to cut costs.

With all of its problems and uncertainties, USX is foolish not to make peace with its workers, said both Mr. Kirkwood, the former Jones & Laughlin executive, and F. Kenneth Iverson, the head of Nucor Corp., a steelmaker noted for cooperation between labor and management.

USX leaders, however, do not appear to have any great desire to change their ways.

"We have tried to be responsible and sensitive to our employees," said Mr. Graham, the president of USX's steel unit. "Although relations with the union are less than cordial, those with workers are 'excellent,'" he said.

That is not what United Steelworkers officials or most others in the steel industry say.

USX's drive to improve productivity, along with cutbacks that took more than 6,000 hourly workers off the payroll in the four years preceding the shutdown, have taken a toll on morale.

With smaller work crews and longer shifts, employees complain that they are paying a steep price for USX's gains in productivity.

The number of accidents and serious burns at the Gary plant, for instance, rose to 38 in 1985 from 4 in 1984, according to Mr. Regan and other union officials. The deaths last year of two steelworkers were a direct result of the smaller crew sizes, Mr. Regan said. The workers were trapped by seeping argon gas while completing a maintenance job.

USX executives strongly deny that safety has been compromised. Not only do company statistics show that injuries have declined, they say, but the number of serious accidents is lower than the industry average.

Still, the federal Occupational Safety and Health Administration fined USX earlier this year for failing to report 98 injuries between January 1985 and May 1986.

USX leaders are pressing ahead with their traditional way of improving efficiency and product quality: reducing their work force and installing new equipment.

USX began operating its second continuous caster last year at its Gary plant, and in April it broke ground for a new caster at its Fairfield, Alabama, plant.

## 'Of all American steelmakers, U.S. Steel is the closest' to matching Japanese efficiency.

— Charles A. Bradford, Merrill Lynch analyst

line, the flat-rolled steel used to make cars and appliances, is 5 percent higher than a year ago.

Still, if USX's leaders have convinced some on Wall Street that all of the indicators are promising, just as many other industry experts note that USX's hopes for the future are still just that: hopes.

Given what USX has recently gone through — a takeover attempt by Carl C. Icahn, the Wall Street financier, and the labor shutdown that caused it to lose \$1.83 billion last year — the future cannot be more than a hope. But as more cautious observers point out, that does not mean that prosperity is necessarily around the corner.

For one thing, USX's absence

83 million to 86 million tons this year, prices could plunge when USX's operations are back to normal and seasonal demand softens. In an industry where a \$25-a-ton swing in the price of flat-rolled steel can spell the difference between a profit and a loss, a price war could prove devastating.

Any cost advantage that USX might now enjoy may also prove short-lived. Two major competitors, LTV Steel Co. and Wheeling-Pittsburgh Steel Corp., are using their bankruptcy reorganizations to slash costs and may emerge even more efficient than USX, according to analysts. A significant weakening of the steel market could also force financially troubled Bethle-

## M-1 Increased \$1.3 Billion in Latest Period

Reuters

**NEW YORK** — M-1, the narrowest measure of the U.S. money supply, rose \$1.3 billion to a seasonally adjusted \$758 billion in the week ended April 27, the Federal Reserve said Thursday.

The previous week's M-1 level was revised to \$756.7 billion from \$757 billion. The two-week moving average of M-1 rose to \$749.2 billion from \$744.5 billion.

Economists' predictions for M-1 had ranged from a fall of \$7 billion to a rise of \$300 million. The average forecast was for a \$2.2 billion decrease.

M-1 includes cash in circulation and checking accounts and nonbank traveler's checks.

## 30-Year Bond Gets Modest Demand

United Press International

**WASHINGTON** — Investors showed lukewarm interest in the U.S. Treasury's auction of 30-year bonds Thursday, analysts said, as the government completed a \$29 billion quarterly refunding that has been scrutinized for clues to the direction of the dollar and U.S. interest rates.

The sale of \$9.275 billion worth of 30-year bonds produced an average 8.76 percent yield, the highest since February 1986.

Some dealers said they were surprised, however, by reports that Japanese investors might have bought as much as 40 percent of the total.

The average yield matched recent expectations, and secondary market bond prices closed slightly higher in late afternoon trading. In when-issued trading Wednesday, the bonds had yielded 8.72 percent.

There were \$20.207 billion in bids, of which the Treasury accept-

ed \$9.275. This kept the ratio for all three auctions at slightly below 2-1, generally considered a sign of only modest demand.

Also, roughly \$18.676 billion of the bids were submitted from New York, where the large U.S. and foreign investment banks are based, which reflected only moderate demand from the ultimate investors around the country.

The highest rate that the Treasury had to accept was 8.77 percent, only slightly above the average rate.

Sales earlier this week of three- and 10-year notes also produced a cool response, confirming predictions that the faltering dollar — and fears of resulting inflation — would drive U.S. interest rates higher. As a result, investors were demanding higher returns at the auctions.

Japanese insurance companies and pension fund managers were particularly concerned. The dol-

lar's plunge alone over the past two years had eroded the gains they have made on their purchases.

Some Japanese insurance executives had predicted that an 8.75 percent yield on the 30-year bond would be the minimum needed to attract buyers, especially because many investors believed the dollar could fall to 135 yen or lower from 139 yen currently.

The 30-year bond, which will pay a semi-annual 8.75 percent interest rate, sold at an average price of 99.895, with 100 representing the face value on a \$1,000 bond.

In February's quarterly auction, the 30-year bond brought a 7.49 percent yield. At the February 1986 auction, the average yield was 9.28 percent.

On Tuesday, the government auctioned \$10 billion of three-year notes for an average 7.91 percent yield, followed on Wednesday with \$9.77 billion of 10-year notes at 8.52 percent.

## Thursday's OTC Prices

NASDAQ prices as of 4 p.m. New York time.

Via The Associated Press

12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG

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## SPORTS

## Dutch Seek Solutions as Soccer Riots Grow

By Peter Maass

UTRECHT, Netherlands — The riot at the soccer match in March between Den Haag and Ajax, two of the best teams in the Netherlands, was eerily familiar. It started with shouting being exchanged by rival fans, escalated into bottles being hurled and evolved into a vicious battle that left scores of people injured.

The fighting did not degenerate into a replay of the May 1985 riot at Feyenoord Stadium in Rotterdam, which left 39 persons dead. But it did vividly show that soccer violence, largely viewed as a British affliction, has infected one of Western Europe's most prosperous and permissive societies.

"A while back we would yell, 'I'm going to knock you down,'" said Jan van den Heiligenberg, a one-time hooligan who is cooperating in an innovative police program here. "Now they yell, 'I'm going to kill you.' If the police didn't intervene, there would be many victims, many deaths."

A mixture of understated wealth and generous welfare had, until recently, helped mold Holland into a relatively tranquil nation. But that is rapidly changing: violent crime is increasing, automobile thefts are soaring and even bicycles, the symbol of the pleasant Dutch society, are being stolen.

Hooliganism ranks as the newest and most disturbing element of the social unrest. However, it is markedly different from the British brand in that, experts say, it stems from a trend toward youth alienation that is only partly linked to

high unemployment and that is unrelated to far-right politics. Sociological studies show that most of the 800 Dutch youths arrested at soccer matches last season came from stable, middle-class families, that they went to school or had a job, and had no previous arrest record. However, it appears, these disaffected youths are increasingly seeking meaning in soccer brawls.

"The football match is a way"

"A while back we would yell, 'I'm going to knock you down.' Now they yell, 'I'm going to kill you.' If the police didn't intervene, there would be many victims, many deaths."

— Jan van den Heiligenberg, a one-time hooligan cooperating in an innovative police program

for them "to get prestige, it's a special occasion to show who they are," said Maurice Sterk, a member of the National Consultative Committee on Football Hooliganism. "This is not just a problem for the police or courts. This is a problem for the whole society."

The Dutch authorities are employing a mixture of traditional and unorthodox methods to deal with the problem.

On the traditional side, crackdowns by the police are increasing, although with limited success; the Den Haag-Ajax riot in March unfolded despite a heavy show of police force.

"This is only a short-term approach," said Mr. Sterk. "We have to do something about the reasons why the hooligans commit violence."

Then there is an innovative and widely praised program designed by Martin van Bochove, a police inspector in Utrecht. His plan is to bring the police into informal contact with soccer fans, so that the police can gain the trust of fans and attempt to moderate their behavior while singing out the real troublemakers.

For every match the Utrecht team plays away from home, six officers in plain clothes travel on

the fan club trains or buses. The officers openly act as mediators between the fans and authorities in other towns, helping to arrange such things as food and beverage sales.

"The key is to know the fans, who they are and where they live," said Mr. van Bochove. Because most Dutch hooligans go to school or have jobs, he added, "they have something to lose, so you can talk with them."

This program has its flaws — at one of the Utrecht team's away games, Mr. van Bochove was caught in a clash between fans and police and received some nasty blows on his back by an officer — but on the other hand, Mr. van Bochove has scored some notable coups in the annals of crowd control. Faced with a high-risk match in Rotterdam earlier this year, he convinced several hundred Utrecht fans, waiting at the train station, to forgo the trip and instead watch the game on a large television screen in the deserted stadium in Utrecht.

The violence by Utrecht fans has fallen sharply since his program began two years ago, and police officials from other cities now seek Mr. van Bochove's advice. Still, the situation remains unstable, so Mr. van Bochove, in a typically pragmatic Dutch way, is now asking club owners to offer discount tickets to the parents and girl friends of potential hooligans.

"You have to bring back an integration between young fans and old fans, boys and girls," Mr. van Bochove said. "You must create a situation where it is not normal to use violence."



DOUBLE TROUBLE — Top-seeded Boris Becker of West Germany leaped at a chance to overcome Juan Avendano of Spain, 7-6, 5-7, 6-2, for his second victory Wednesday in the Tournament of Champions in New York. But third-seeded Tim Mayotte of the United States lost, 5-7, 7-6, 6-2, to Pavel Vojtek of West Germany.

## Rookie, Aguilera Help Mets Beat Reds

Compiled by Our Staff From Dispatches

NEW YORK — Rookie third baseman Dave Magadan went three-for-three batting Wednesday night, driving in one run and scoring another as the New York Mets ended a three-game losing streak by beating the Cincinnati Reds, 3-2, and Rick Aguilera improved to 3-1 on a very effective fastball.

"I had never seen that pitch before," the Reds' Dave Parker said after the right-hander gave up eight hits, walked one and tied his major league high with nine strikeouts in eight innings. "He was tailing it away. It looked like something new in his repertoire."

Aguilera threw three wild pitches, one allowing a run, in the first three innings. In the eighth, he yielded leadoff singles to Kal Daniels and Kurt Stillwell, but struck out the Nos. 3 and 4 hitters — Parker and Eric Davis — before Buddy Bell extended his hitting streak to 12 games with a bloop single that made the score 3-2. Aguilera then struck out Bo Diaz and Jesse Orosco finished up for his National League-leading seventh save.

Dodgers 2, Pirates 1: In Los Angeles, Bill Madlock's infield single scored Mariano Duncan with the run that beat Pittsburgh in a pitching duel between Rick Reuschel and Orel Hershiser, who won with a seven-hitter.

The Dodgers hit only five balls out of the infield and both runs were unearned. Reuschel, who gave up six hits and leads the NL with a 1.68 ERA, has lost four straight to the Dodgers since June 1981, and is still looking for his first victory at Dodger Stadium since August 1977.

Cubs 9, Giants 4: In San Francisco, Jody Davis homered twice and scored three times for Chicago, while Andre Dawson drove in two runs to tie the Reds' Eric Davis for the league RBI lead with 27.

The East-leading Cubs have 14 homers in their last six games, have outscored the opposition, 38-15, in 26 games. They also are 6-0 in night games this year.

Expos 6, Braves 2: In Atlanta, Bryn Smith and three relievers allowed only seven hits and Vance Law homered for Montreal. Tim Lincecum, who is batting .450 in five games since re-signing with the Expos as a free agent on May 1, had two hits and drove in a run.

## BASEBALL ROUNDUP

Cardinals 3, Padres 0: In San Diego, rookie Joe Magrane pitched a four-hitter, all singles, for his first complete game and St. Louis right fielder Curt Ford made leaping catch to rob Luis Salazar of a homer in the eighth. Magrane did not allow a runner past first base.

Astros 3, Phillies 2: In Philadelphia, pinch-hitter Terry Puhl's infield single scored Jose Cruz from third base with two out in Houston's ninth.

Orioles 6, Twins 0: In the American League, in Minneapolis, Scott McGregor pitched a three-hitter for Baltimore and Cal Ripken hit a three-run homer. McGregor, who entered the game with an ERA of 5.10, struck out one and walked three, getting most of his outs on ground balls.

Yankees 4, White Sox 1: In Chicago, Rick Rhoden pitched New York's second straight two-hitter, both singles in the early innings, and Gary Ward drove two runs. Rhoden walked three and struck out six.

Angels 3, Brewers 0: In Milwaukee, Mike Witt and DeWayne Buice turned in a five-hit shutout and Jack Howell hit a bases-empty homer as California won its fourth straight. Witt struck out nine and walked four in seven innings.

The Brewers, after a 13-0 start, not only lost their third in a row but were shut out in consecutive games for the first time since 1981.

Red Sox 6, Athletics 2: In Boston, Mike Greenwell's three-run homer in the seventh beat Oakland. Greenwell is 11 for 21 with 12 RBI in six games as a replacement for injured left fielder Jim Rice.

Tigers 7, Mariners 5: In Detroit, Darrell Evans, Kirk Gibson and Mike Nokes homered to help beat Seattle and end a four-game losing streak.

Rangers 7, Indians 2: In Arlington, Texas, Pete Incaviglia, Larry Parrish and Pete O'Brien homered to back Charlie Hough's eight-hit pitching. Hough, who has beaten Cleveland nine straight times, struck out six in defeating fellow knuckleballer Phil Niekro.

Royals 6, Blue Jays 3: In Kansas City, Missouri, Hal McRae, the 41-year-old player-coach, and Juan Beniquez each drove in two runs.

(UPI/AP)

## Canadiens Rout Flyers

The Associated Press

PHILADELPHIA — The Montreal Canadiens, the National Hockey League's top defensive team, played their usual tight-checking game Wednesday night en route to a 5-2 victory over the Philadelphia Flyers and a 1-1 tie in their Stanley Cup playoff.

The best-of-seven Wales Confer-

ence final is to resume Friday night with the third game in Montreal.

"Our defense got us going," said center Bobby Smith, who had a goal and an assist for the defending cup champions.

The defense-to-offense transition worked perfectly on Smith's first-period goal, off an excellent cross-ice pass from Claude Lemieux. Lemieux circled the net from right to left before passing to Smith, standing alone to the left of goalie Ron Hextall. Smith slammed the puck into the open side of the net at 11:38 for his seventh playoff goal.

That was the only goal of the first period, but the Canadiens put the game away on second-period goals by Brian Sturdevant, John Kordic and Lemieux, as they rebounded from a 4-3 overtime loss Monday in the series opener.

The Canadiens' goalie, Brian Hayward, made 21 saves, 5 during a second-period power play.



Bill Walton, the Celtics' backup center, got a ball away from the Bucks' Paul Mokeski but later limped out court.

## Celtics Hold Off Bucks, 126-124, Tie Mark of 14 Straight Playoff Victories

The Associated Press

BOSTON — Dennis Johnson and Fred Roberts each made two free throws in the game's last 29 seconds Wednesday night to give the Boston Celtics a 126-124 victory over the Milwaukee Bucks and a 3-0 lead in the best-of-seven Eastern Conference semifinal of the National Basketball Association playoffs.

Milwaukee had tied at 122 on Sidney Moncrief's two foul shots with 43 seconds left. Johnson then drove the lane and was fouled by Jack Sikma, his free throws making it 124-122 with 29 seconds to go.

Milwaukee's Paul Presley followed with a drive to the basket, but when three Celtics converged on him he missed the shot and the Celtics' Larry Bird rebounded the ball with 14 seconds to play.

Terry Cummings was forced to foul Roberts, who sank his two free throws with six seconds left. Sikma's basket, with three seconds left, accounted for the final margin.

Although the Bucks had nearly done what no team has in almost five months — beat the Celtics in Boston Garden — Moncrief said that "a loss is a loss. It doesn't matter how close we play."

"They played extremely well and we played well," said Presley. "Extremes is the difference."

The third game of the series is to be played Friday night in Milwau-

## NBA PLAYOFFS

See, where the Celtics were 0-3 this season. But they are 3-0 at home against the Bucks, and Wednesday night won their 33rd straight in Boston Garden while tying an NBA record of 14 straight playoff victories at home. The record was set by the 1949-51 Minneapolis Lakers.

It also was the Celtics' ninth straight triumph, the last five in the playoffs.

Bird and Danny Ainge led Boston with 30 points each, while Robert Parish got 24 and Johnson 21. Forward Kevin McHale, hobbled by a sprained ankle, came off the bench to score 12 points. But backup center Bill Walton, who has had a history of foot problems, began limping in the first half, played only 11 minutes and got but two rebounds and no points.

Milwaukee was led by Cummings' 28 points.

## SPORTS BRIEFS

## 5 Spectators Injured at Rally

AIACCIO, Corsica (APF) — One spectator was seriously injured Thursday when hit by the Renault 5 GT turbo driven by François Orsini during the opening stage of the Tour of Corsica world championship rally and four were slightly hurt when hit by the Open Manta of Guy Fiori.

The Tour of Corsica has been marred by tragedy. Attilio Bettiga of Italy died instantly in 1985 when his Lancia 037 hit a telegraph pole and last year Henri Toivonen of Finland and his co-driver, Sergio Cresto, an Italo-American, were burned to death after crashing in their Lancia Delta.

## Oxford Crew Gets U.S. President

OXFORD, England (APF) — Chris Penny, one of the five Americans involved in Oxford University's rowing controversy this year, has been elected president of the boat club. Penny, dropped from the Oxford crew five weeks before its victory over Cambridge, was elected Wednesday night. He beat out Tom Cadoux-Hudson, one of the oarsmen promoted to replace the Americans, by a vote of 27-17 in a secret ballot of college boat club captains and resident blues. Penny replaced Donald Macdonald, who dropped the Americans and nominated Cadoux-Hudson for president.

## Capote Back in Bonus Field

LOUISVILLE, Kentucky (APF) — Triple Crown Productions has reversed its stand and declared Capote still eligible for the new \$1 million bonus for horses running in all three legs of the Triple Crown, even though jockey Angel Cordero called Capote in the final yards of the Kentucky Derby. That left derby winner Alysheba and 15 other thoroughbreds in contention for the bonus because they crossed the derby finish line, preface favorite Demons Begone was pulled up in the backstretch after bleeding badly. The bonus, for the best combined finish, is based on a point system, with Alysheba now having five points. Bet Twice two and Avies Copy one. Points will be assigned in similar fashion for the Preakness Stakes and the Belmont Stakes.

## For the Record

The Appellate Division of the New York State Supreme Court voted, 3-0, to uphold a lower court decision against an injunction, clearing the way for the Michael Spinks-Gerry Conney heavyweight fight on June 15.

## 1,000 Miles Into the Past

By Steve Porter

New York Times Service

NEW YORK — Phil Hill drove a Ferrari to the Formula One title in 1961. This month, at the age of 60, he is to be behind the wheel of a 1953 Alfa Romeo Disco Volante for a nostalgia-tinged tribute to one of the most venerated auto races in history, the Mille Miglia.

Run 24 times between 1927 and 1957, Italy's 1,000-mile open-road sports-car race rivaled the Indianapolis 500, the Le Mans 24 hours and the Monaco Grand Prix for importance and prestige on the international motor sports calendar. The race, which started and finished in the northern Italian industrial city of Brescia, circled the Italian boot, running on highways that were temporarily closed to the public.

"It captured the imagination of the entire population of Italy," Hill recalled recently. "The Mille Miglia brought the racing to the people. Almost everyone could find his way to a road to watch the cars go by."

Hill, who won the title 17 years before Mario Andretti became the second U.S. world champion, said he regretted never having driven the Mille Miglia. It was canceled after an accident 30 years ago that killed the Marquis de Portago, his American co-driver, Edward Nelson, and more than a dozen spectators. That 1957 race, won by Piero Taruffi in a Ferrari, effectively marked the end of the cross-country road-racing era of auto racing. In the past decade street races have become popular, but these are run on temporary circuits of a mile or so, lined with concrete barriers protecting the spectators, not the single huge lap of a country that characterized events like the Mille Miglia.

In 1982, the Musical Watch Veteran Car Club of Brescia organized the first revival of the Mille Miglia, not as a race but as a timed rally for vintage competition cars built during the 30-year span of the race's existence. Martin Swig, a San Francisco car dealer, and John Lamm, a journalist, were the only Americans in the rally that year, sharing an Alfa Romeo 1900. Swig, who is also among this year's U.S. entourage of 52, recalled the 80-mph (129 kph) police escorts they received through the towns along the way, and the response of the spectators that year. "It was total pandemonium, but in the end it all worked out OK. When we stopped, people would crowd around our car, reaching in to touch us. We were treated like visiting astronauts or the pope."

Stirling Moss set the speed record for the Mille Miglia in 1955, driving a Mercedes-Benz 300 SL R107 to victory in 10 hours, 7 minutes, 48 seconds, an average of nearly 100 mph. Last year, Moss drove a Maserati 200 S, but this time it took 2½ days, including time for meals and overnight hotel stays along the route.



Phil Hill: racing again

## SCOREBOARD

## Baseball

## Wednesday's Major League Line Scores

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Detroit	101	828	5-2
National League			
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